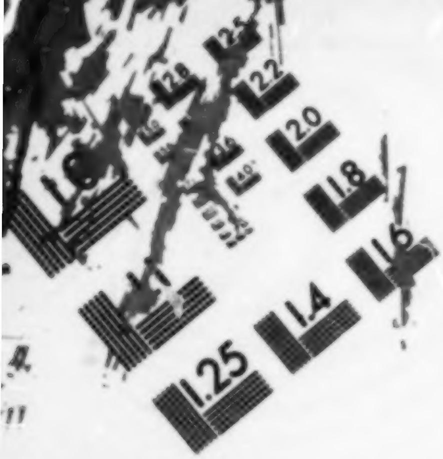

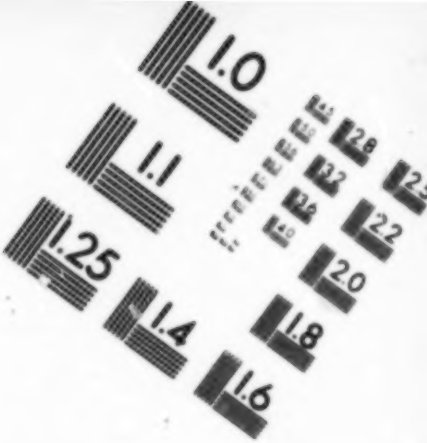

IMAGE EVALUATION TEST TARGET (MT-3)

1.0
1.1
1.25
1.4
1.6
1.8
2.0
2.2
2.5
2.8
3.2
3.6
4.0
6"

Photographic
Sciences
Corporation

23 WEST MAIN STREET
WEBSTER, N.Y. 14580
(716) 872-4503

FOREIGN
BROADCAST
INFORMATION
SERVICE

Daily Report

East Asia

FBIS-EAS-96-055
Wednesday
20 March 1996

Daily Report
East Asia

FBIS-EAS-96-055 CONTENTS *20 March 1996*

NOTICE: An * indicates material not disseminated in electronic form.

INTER-ASIAN AFFAIRS

Rangoon Joins Beijing for Mekong Talks in Hanoi [*BANGKOK POST 20 Mar*] ... 1

NORTHEAST ASIA

Japan

Japan: Declaration With U.S. To Include PRC-Taiwan Issue [*SANKEI SHIMBUN 18 Mar*] ... 2
Japan: MITI's Sakamot on Relationship With U.S. [*Japanese Ministry of International Trade and Industry WWW*] ... 2
Japan: LDP, SDP Differ Over Defense Cooperation With U.S. [*MAINICHI SHIMBUN 17 Mar*] ... 11
Japan: Growing Tension Noted Over Land Lease Expiration [*RYUKYU SHIMPO 19 Mar*] ... 12
Japan: Okinawa Landowner Considers Suing U.S. To Regain Land [*KYODO*] ... 13
Tokyo, Beijing Plan To Help Build Russian Economic Zones [*KYODO*] ... 13
Japan: MITI Contemplates Common Energy Policy for Asia [*EKONOMISUTO 26 Mar*] ... 13
Japan: Details on Decline in Trade Surplus [*KYODO*] ... 14
Japan: GDP Below 1 Percent for 'Third Straight Year' [*KYODO*] ... 15
Japan: Panel Issues Proposals for Improving Market Access [*KYODO*] ... 16
Japan: Hashimoto Urged To Liberalize Employment Services [*KYODO*] ... 16
Tokyo Stock Exchange Chief Welcomes Deregulation Plan [*KYODO*] ... 17
Japan: Keidanren Urges Corporate Tax Cut [*KYODO*] ... 17
Japan: Production Shift Overseas 'Serious Threat' to Employment [*KYODO*] ... 17
Japan: Defense Intelligence HQ Plan, Security Course Set [*WING 14 Feb*] ... 18
Japan: DA Produces Prototype OHX Observation Helicopter [*NIHON KEIZAI SHIMBUN 16 Mar*] ... 19
Japan: Hashimoto Refuses To Withdraw 'Jusen' Bailout Scheme [*KYODO*] ... 19
Japan: NFP Agrees To Pass Stopgap Budget; Picket Continues [*KYODO*] ... 20
Japan: Diet Subcommittees Seen as 'Breath of Fresh Air' [*EKONOMISUTO 26 Mar*] ... 20
Japan: Chief Editor Analyzes Postwar Diplomacy [*GAIKO FORUM Dec*] ... 21
Japan: LDP Urges Delaying Decision on NTT Breakup [*KYODO*] ... 27
Japan: JAMA Chairman on 1996 Auto Industry Issues [*JAMAGAZINE Jan*] ... 28
Japan: Hitachi Succeeds in Single Electron Memory Chip [*NIHON KEIZAI SHIMBUN 18 Mar*] 29

North Korea

DPRK: Foreign Parties Urge U.S. To Accept DPRK Peace Proposal [*KCNA*] ... 30
DPRK Daily Denounces Kim Yong-sam's Remarks on Dialogue [*KCNA*] ... 30
DPRK: Kim Yong-sam's Remarks at Military Academies Denounced [*Pyongyang Radio*] ... 31
DPRK: VNS: Increasing Number of South Koreans Revere Kim Chong-il [*KCNA*] ... 32
DPRK: Trade Union Rallies in ROK Reported [*KCNA*] ... 32
DPRK: Labor Disputes, Demonstrations in ROK Noted [*KCNA*] ... 32
DPRK: 'Warning' to SANKEI SHIMBUN on Publishing False Reports [*Pyongyang Radio*] .. 32
DPRK: Delegation of Japanese Scholars Visits Mansu Hill [*KCNA*] ... 33
DPRK: Film Show Marks Anniversary of DPRK-Russia Economic Pact [*KCNA*] ... 33
DPRK: Zairian Party Delegation Leaves Pyongyang 19 Mar [*KCNA*] ... 34
DPRK Meeting Marks National Day of Tunisia [*KCNA*] ... 34

DPRK: WPK Sends Message to Funcinpec Congress in Cambodia *[KCNA]* 34
DPRK: Kim Chong-il Honors Deceased Atomic Energy Chief *[KCNA]* 34
DPRK: Kim Chong-il Sends Wreath to Chae Hui-kuk's Bier *[KCNA]* 34
DPRK: Kim Chong-il Thanks Units, People *[KCNA]* 34
DPRK: Kim Chong-il Thanks Culture-Sport Commission, Security Unit *[KCNA]* 35
DPRK: Kim Chong-il Receives Gift From Zairian Party Leader *[KCNA]* 35
DPRK: WPK Central Committee Replies to Foreign Parties *[KCNA]* 35
DPRK: Kim Chong-il Writing on Shortcomings of Materialism *[NODONG SINMUN 3 Jan]* 35
DPRK: Symposium Held on Chuche-Based Idea of Fine Art Development *[KCNA]* 38
DPRK Daily Praises Kim Il-song as 'Greatest Statesman' *[KCNA]* 38
DPRK: Yi In-mo on Living in 'Socialist Motherland' *[KCNA]* 40
DPRK: Official Commendations Given to Crew of Trading Freighter *[KCNA]* 40
DPRK: People's Army Soldiers Visiting Coal Mines, Farms *[Pyongyang Radio]* 41
DPRK Approval of Environmental Regulations Examined *[MINJU CHOSON 10 Nov, etc.]* 41
DPRK: Kim Chung-nin, Chang Chol Attend Tree Planting Rally *[KCNA]* 42
DPRK: More People Volunteering To Move to Rural Areas *[Pyongyang TV]* 43

South Korea

ROK Foreign Minister Kong Departs for Trip to PRC, U.S. *[YONHAP]* 43
ROK: U.S. Teacher Booked for Violating Immigration Law *[THE KOREA HERALD 20 Mar]* 44
ROK: PRC Ambassador Interviewed on Taiwan Crisis *[CHOSON ILBO 19 Mar]* 44
ROK, PRC Foreign Ministers Discuss Koreas, Taiwan *[YONHAP]* 46
ROK: KEDO Plans Apr Follow-Up Protocol Meeting With DPRK *[YONHAP]* 46
ROK: KEDO Heavy Oil Departs for North Korea 20 Mar *[Seoul Radio]* 47
ROK: UN Secretary-General Willing To Mediate Between ROK, DPRK *[YONHAP]* 47
ROK: Large Numbers of Counterfeit Dollars Found; DPRK Suspected *[YONHAP]* 47
ROK: Aluminum Shipment From Russia To Help Pay Off Loans *[YONHAP]* 48
ROK: Brazil Tariffs on Imported Auto Parts 'Discriminatory' *[YONHAP]* 48
ROK: Egyptian Foreign Minister Comments on ROK Visit *[YONHAP]* 48
ROK: Ecuador To Scrap 40-Percent Tariff Hike on ROK Textiles *[YONHAP]* 49
ROK Assesses Developments in 1979 Army Mutiny Trial *[YONHAP]* 49
ROK Lawmaker Refutes Ex-President's Remarks on 'Hanahoe' *[YONHAP]* 50
ROK: NKP's Yi Hoe-chang Remarks on Postelections Situation *[YONHAP]* 50
ROK: Democratic Party 'Will Not Join' NKP After Elections *[THE KOREA HERALD 20 Mar]* 51
ROK Finance Ministry Plans To Lower Securities Transaction Tax *[THE KOREA HERALD 20 Mar]* 51
ROK: Kim Yong-sam Urges Cabinet To Help Automate Small Factories *[YONHAP]* 52
ROK: Samsung, Hyundai To Bid for PCS License Together *[THE KOREA TIMES 16 Mar]* 52
ROK: Bus Drivers Decide To Go on Strike 20 Mar *[THE KOREA TIMES 16 Mar]* 53
ROK: Marine Oil Contamination Prevention Association Created *[The Chungang Ilbo WWW]* 53
ROK Government Strengthens Consumer Compensation Rules *[THE KOREA TIMES 20 Mar]* 53
ROK: 1,000 Foreign Workers To Be Assigned to Coastal Fishing *[YONHAP]* 54
ROK Editorial Criticizes Government's Dress Code Liberalization *[The Digital Chosun Ilbo WWW]* 54
ROK Elected to Afro-Asian Rural Reconstruction Group Board *[YONHAP]* 54

SOUTHEAST ASIA

Burma

Burma: SLORC Puts Off UN Official's Visit Due to 'Busy' Schedule *[BANGKOK POST 20 Mar]* 55

Burma: Khun Sa Allegedly Orders Assassination of SSNA Commander *[BurmaNet News]* 55

Brunei, Malaysia & Singapore

Malaysia

Malaysia: Daily Views Efforts To Ensure Currency Stability *[BERITA HARIAN 19 Mar]* 55
Malaysia: Police Arrest 76 in Massive Antidrug Operation *[BERITA HARIAN 5 Feb]* 56

Singapore

Singapore: Daily Reviews APEC Finance Ministers Meeting in Kyoto *[BUSINESS TIMES 20 Mar]* 57

Cambodia

Cambodia: Khmer Rouge Claims Government Attack From Thailand *[Radio PGNUNS]* 57
Cambodia: PGNUNS Adopts Memorandum on Elections *[Radio PGNUNS]* 58
Cambodia: Khmer Rouge Lambastes Upcoming FUNCINPEC Party Congress *[Radio PGNUNS]* 60

Indonesia

Indonesia: Suharto Holds Talks With Poland's Cimoszewicz *[Jakarta Radio]* 62
Indonesia: Polish Premier Agrees to Cooperation, Ends Visit *[Warsaw Radio]* 62
Indonesia: Rebel Leaders Interviewed on Hostage Situation *[KOMPAS 17 Mar]* 63
Indonesia: Editorial Welcomes Hostage Release *[REPUBLIKA 19 Mar]* 64
Indonesian Military: Villager Murdered by East Timor Rebels *[SUARA KARYA 20 Mar]* 65
Indonesian Military Confirms 40 Arrested After Riots *[KOMPAS 20 Mar]* 65
Indonesian Military: Separatist Group Supported Rioters *[ANTARA]* 66
Indonesia: Editorial Views Causes of Riot in Irian Jaya *[MEDIA INDONESIA 19 Mar]* 67
Indonesia: Ruling Faction Rejects Election Law Changes *[KOMPAS 20 Mar]* 67

Laos

Laos: Report on 18 Mar Activities of Sixth Party Congress *[Vientiane Radio]* 68
Laos: Proceedings of 6th Party Congress on 19 Mar Reported *[Vientiane Radio]* 68
Laos: 'Major' Party Leadership Change 'Expected' *[THE NATION 19 Mar]* 68
Laos: Sixth Party Congress Closing Day Agenda Reported *[Vientiane Radio]* 69
Laos: Party Chairman Closes Sixth Congress 20 Mar *[Vientiane Radio]* 70
Lao 'Sources': Nouhak To Remain President, Politburo Chief *[BANGKOK POST 20 Mar]* 71
Laos: 'Major Changes' Announced in Top Leadership *[Melbourne International]* 71
Laos: Political Bureau, 6th Party Central Committee Members Listed *[Vientiane Radio]* 71

Philippines

Philippines General Denies War Games Tied to PRC-Taiwan Issue *[BUSINESS WORLD 18 Mar]* 73
Philippines Assures PRC of No Taiwan Participation in APEC *[BUSINESS WORLD 20 Mar]* 73
Philippines: Ramos Meets With Visiting Iranian Official *[Tehran Radio]* 74
Philippines: Iranian Minister on Treatment of Minorities in Iran *[Tehran IRNA]* 74
Philippines Official Comments on Functions of ACTETSME *[PNA]* 74
Philippines: Napocor Plans To Bid Out 2 Power Projects *[BUSINESS WORLD 18 Mar]* 75
Philippines: Foreign Investments Rise 28 Percent To $5.24 Billion *[BUSINESS WORLD 20 Mar]* 76
Philippines: Muslim Rebels Deny War Threats if Peace Talks Fail *[BUSINESS WORLD 11 Mar]* 76
Philippines: 15 Muslim Rebels Killed in Clash With Military *[Quezon City Radio-TV]* 77

Philippines: Ramos Vows To Intensify Mindanao Socioeconomic Program *[BUSINESS WORLD 20 Mar]* 77
Philippines: Ramos Approves Lethal Injection for Death Penalty *[Quezon City Radio-TV]* 77

Thailand

Thailand: Polish Prime Minister Arrives for Talks *[Warsaw Radio]* 77
Thailand: TelecomAsia Announces Participation in Satellite Bid *[THE NATION 18 Mar]* 77
Thailand: Army Views Thaksin Criticism of Satellite Project *[BANGKOK POST 20 Mar]* 78

Vietnam

SRV Paper on 'Quiet Offensive' by U.S. 'Right Wingers' *[QUAN DOI NHAN DAN 25 Dec]* 79
SRV: More Vietnamese Refugees To Be Repatriated *[Hanoi International]* 81
SRV: Do Muoi Addresses Sixth LPRP Congress *[Hanoi Radio]* 81
SRV Daily Reveals Smugglers' Routes, Activities *[SAIGON GIAI PHONG 9 Jan]* 83
SRV: Radio Hails Visit by EU Parliament Delegation *[Hanoi International]* 85
SRV Assembly Chairman Receives European Parliament Delegation *[VNA]* 86
SRV National Assembly 19 Mar Proceedings Reported *[Hanoi Radio]* 86
SRV National Assembly Passes Law on State Budget *[VNA]* 86
SRV National Assembly Holds Closing Session *[Hanoi Radio]* 87
SRV Daily on Administrative Reforms' Shortcomings, Resolutions *[SAIGON GIAI PHONG 13, 14 Jan]* 88
SRV Military Enterprises Implement Industrialization, Modernization *[QUAN DOI NHAN DAN 22 Jan]* 91
SRV: Free Spending, Waste of Public Funds Denounced *[VAN HOA 17 Dec]* 93
SRV Quang Ninh's Antidrug Efforts Reportedly 'Noneffective' *[NHAN DAN 20 Jan]* 93
SRV 'Inflated' Statistics on Crops Criticized *[NHAN DAN 21 Jan]* 95
SRV: Professor on Distortion of Socialist Ideology *[TAP CHI CONG SAN Oct]* 97
SRV Interior Vice Minister on Fighting Crimes *[QUAN DOI NHAN DAN 26 Jan]* 100
SRV Daily Discusses Child Labor Problems *[SAIGON GIAI PHONG 4 Jan]* 101

AUSTRALASIA

Australia

Australia: Group Expresses Opposition to Pine Gap Expansion *[Melbourne International]* 103
Australia: Howard Agrees To Discuss Aviation With Bolger *[Melbourne International]* 103
Australia Provides Equipment for Cambodian Military Hospitals *[Melbourne International]* ... 103

Papua New Guinea

Papua New Guinea: Separatists Kill 4 Security Force Members *[Melbourne International]* 103
Papua New Guinea: Truce Ends 4-year Tribal Conflict *[Melbourne International]* 103

Rangoon Joins Beijing for Mekong Talks in Hanoi

BK2003093996 Bangkok BANGKOK POST in English 20 Mar 96 p 8

[Report by Atchara Asahayakchat from Hanoi]

[FBIS Transcribed Text] China and Burma have agreed to establish a dialogue mechanism with the Mekong River Commission (MRC), according to the heads of the two delegations.

The first dialogue meeting between the four-plus-two riparian countries of the Mekong River will be held during the MRC joint committee meeting in Bangkok in July, said MRC chief executive officer Yasunobu Matoba.

The Mekong joint committee, a policy-implementing body of the MRC, ended its third meeting yesterday in Hanoi with the curtain- closing session of the second exploratory meeting between the four member countries in addition to Burma and China.

The four member nations — Cambodia, Laos, Thailand and Vietnam — signed an agreement on cooperation for sustainable development of the Mekong River basin in Chiang Rai last April.

One article of the agreement paves the way for future participation of the other two countries: "Any other riparian state, accepting the rights and obligations under the agreement, may become a party with the consent of the parties," the agreement states.

The commission, the newly transformed body of the Mekong Committee founded in 1957, invited China and Burma to participate in the director general level joint committee meeting for the first time last November in Ho Chi Minh City.

The Chinese government has decided to establish a dialogue mechanism with the MRC after carefully studying the discussion paper presented at the first exploratory meeting, said Lu Yongshou, head of the Chinese delegation.

He told the participants yesterday that "China believes that it is imperative for the riparian countries to conduct further cooperation."

Mr Lu, also minister counsellor and permanent representative of China to ESCAP [Economic and Social Commission for Asia and the Pacific], suggested that apart from water resources development and utilisation, the dialogue should also cover other important areas like the environment, tourism, transportation and energy and other issues of common concern.

China would consider participating in other activities of the MRC at the invitation of the MRC, he said.

U Nyunt Maung Shein, head of the Burmese delegation, said the concept of a dialogue mechanism was very thought-provoking and Burma wants to exchange views on the subject.

Burma stands ready to cooperate with the MRC, he said, adding that the all-round cooperation of the six riparian countries in the sustainable development of the Mekong River basin must be based on fairness, equity and the principles of international law with respect for the sovereign rights of each riparian state on the use of water.

The Burmese delegate, who is also director of the Boundary Division-Political Department, Ministry of Foreign Affairs, asked the joint committee to report on the past proceedings and developments of the MRC's work.

He drew attention to Article 26 of the agreement. The article, in conjunction with Articles 5 and 6, is of paramount importance and relevance to the sustainable development of the Mekong River, he said.

Articles 5 and 6 provide the general framework of the system of utilising the Mekong River, detailing how to use the water (the Mekong River, its tributaries, the Tonle Sap) for inter/intra uses and to indicate how to cooperate in maintaining the flow of the mainstream from diversion and storage releases.

According to Article 26, the joint committee will prepare and propose to the commission that it approve the rules of the water utilisation and inter-basin diversions.

This includes establishing the timeframe for the wet and dry seasons, establishing the location of hydrological stations and determining and maintaining the flow level requirement at each station, setting out criteria for determining surplus quantities of water during the dry season on the mainstream, improving upon the mechanism to monitor intra-basin use, and setting up a mechanism to monitor inter-basin diversions from the mainstream.

On the first day of the third joint committee meeting, the four member countries could not reach a conclusion on the rules of water utilisation due to their different interpretations of Article 26.

"Vietnamese delegates preferred to draft regulations on both qualitative and quantitative ways of water utilisation at the same time while the Thai delegates argued that it should be treated separately," said a Vietnamese source.

The issue then was postponed for consideration at the next meeting in July in Bangkok.

Japan

Japan: Declaration With U.S. To Include PRC-Taiwan Issue

OW1903143296 Tokyo SANKEI SHIMBUN in Japanese 18 Mar 96 Morning Edition p 1

[FBIS Translated Text] The Japanese and the U.S. Governments decided on 17 March that Prime Minister Ryutaro Hashimoto and President Bill Clinton will discuss as a main topic at their April summit strained China-Taiwan relations, as well as the issue of U.S. military bases on Okinawa. The two countries have been preparing to include in the "joint declaration on security" wording expressing "their grave concern."

However, they are likely to use indirect expressions so as not to provoke China unnecessarily.

According to a source at the Ministry of Foreign Affairs [MOFA], the reason for their decision to discuss the China-Taiwan issue again is to reconfirm the significance of Japan-U.S. security arrangements by stressing that even if China's military exercise finishes temporarily, cross-strait relations will remain tense. Japan and the U.S. believe that in light of the fact that China has yet to waive the conditional use of force, "they need to demonstrate to China that they continue to have a great interest in cross-strait relations," (as stated by a source well versed in China-Taiwan relations).

The Okinawa prefectural government has been concerned about the possibility worsening relations across the Taiwan Strait will impede progress in the retrenchment, reduction, and unification of U.S. military bases on Okinawa, which the Japanese and the U.S. governments give the highest priority. In view of the prefecture's anxiety, the Japanese Government has adopted a policy of "not linking the base issue to the China-Taiwan issue," (as stated by Hashimoto). The two countries have decided to study a plan to include an expression of concern in the joint statement so as to "prevent progress on the base issue from giving a wrong signal to China," (as stated by a senior MOFA official).

In the United States, as cross-strait tension has grown since late 1995, the presence of U.S. forces in the region has been highlighted. Active moves have been made, mainly in the U.S. Congress, to reconfirm the significance of their presence. Although it is believed China's military drill will finish before the summit, the MOFA remains wary, saying: "Depending on the action taken by Taiwan after the presidential election, the situation could become critical at any time," (as stated by a senior MOFA official).

Japan: MITI's Sakamot on Relationship With U.S.

OW2003041596 (Internet) Japanese Ministry of International Trade and Industry WWW in English 15 March 96

[Speech by Yoshihiro Sakamoto, Vice Minister for International Affairs, and news conference with unidentified reporters at Foreign Correspondents' Club of Japan 0345-0517 GMT on 15 March; from the "What's New!" link]

[FBIS Transcribed Text] [Topics of the Speech and Discussion] I. Introduction of the speaker II. Introductory remarks by Vice-Minister for International Affairs Yoshihiro Sakamoto on "Moving to an Era of Cooperation: The U.S. and Japanese New Relationship" III. Possible impact of structural changes in the Japanese economy on employment in Japan IV. Overseas production by Japanese companies in comparison with that of other developed countries V. Role of trade agreements between Japan and the United States vs. purely economic factors in the decline of Japan's trade surplus VI. Investment in Japan by foreign-affiliated companies VII. Possible relationship between the issue of the Large-scale Retail Store Law and the photographic film issue VIII. Possible responses of Japan to United States requests for discussions on various trade issues IX. Japan's evaluation of the results of last year's Japan-U.S. agreement on autos and auto parts, and Japan's view on the recently announced national car project in Indonesia X. Importance of expanding the competitiveness of Japan's information industries XI. Japan's reaction to European Union ideas on a private-sector forum on the semiconductor issue XII. Japan's position in possible discussions with the United States on semiconductors XIII. Japan's possible response should the United States request Government-to-Government negotiation on the photographic film issue XIV. Possibility of future employment problems in Japan

I. Introduction of the speaker

Moderator: Ladies and gentlemen, welcome to today's program with Mr. Sakamoto. Mr. Yoshihiro Sakamoto was born in Japan on 4 October 1938, making him 56, if my calculation is right. Like millions of other one-company salarymen in Japan, he is essentially a one- ministry man, although he was briefly seconded to JETRO. So, he is supposed to know everything about MITI, ranging from aircraft ordinance, industrial finance, international economics, petrol, machinery and information, basic industries, and international trade policy. Today, he is talking about the U.S.-Japan relationship. This week, we had Fred Bergsten, yesterday Ambassador Mondale; so here is what we call the shin-uchi, the major player who appears last. Mr. Sakamoto.

II. Introductory remarks by Vice-Minister for International Affairs Yoshihiro Sakamoto on "Moving to an Era of Cooperation: The U.S. and Japanese New Relationship"

Vice-Minister for International Affairs Yoshihiro Sakamoto: Thank you very much. I am speaking as the last player this week — not a major player, but a minor player, compared with Dr. Bergsten, or especially Ambassador Mondale. I am a minor player. But I would like to talk about the U.S.-Japan new relationship. First of all, I have to apologize that this meeting was postponed today. Originally, the meeting was scheduled about three weeks ago. But, unfortunately, because of my toothache, I was allowed to postpone. As a trade negotiator, teeth are very important to bite counterparts, and on top of this, I must have perfect teeth to partake of good food. Anyway, I feel very honored today to be given this chance to speak. So, I would like to make a short comment on my understanding of the future of the U.S.-Japan relationship, limited to trade.

I wish to begin by stating one thing that has been on my mind for some time. It is that the United States and Japan have finally outgrown an era in which their relations were swayed by trade frictions, and we have now entered an era in which we must work together to solve global problems.

From the 1970s to the first half of the 1990s, our two nations became rivals in various economic fields, creating one friction after another. Rivalry was inevitable because of Japan's economic growth, and bilateral negotiations on sectoral issues were necessary because GATT rules were not fully developed. As a result, however, the impression was created that trade frictions were the most important aspect of U.S.-Japanese relations.

As we reached the mid-90s, the situation began to change profoundly. At the start of 1995 the WTO came into being with rules covering substantially wider fields, which can be regarded now as the constitution of world trade.

As macroeconomic policies of various governments started to bear fruit, Japan and the United States each began to reduce its global imbalance, including the imbalance between themselves. The Japanese share of the overall U.S. trade deficit had shrunk to 37 percent by 1995 from a substantial 65 percent in 1985. Similarly, the share of the current account surplus in Japan's GDP decreased from 3.2 percent in 1992 to 2.2 percent in the third quarter of 1995, and it is estimated to fall further to 2.0 percent in 1996.

Meanwhile, the U.S.-Japanese Framework Talks, which started in 1993, produced one agreement after another, each avoiding the setting of numerical targets. Among such agreements was the one on autos and auto parts, which, as you all know, was concluded last June.

Growth in Japanese imports is also remarkable. Over the last five years, total Japanese imports have increased approximately by 50 percent. Everyone recognizes that structural economic change in Japan has been taking place, dramatically driven by rapid yen appreciation, with substantial deregulation, improvement of market access, as well as increased interest by foreign exporters in the Japanese market. For example, the number of registered foreign cars in Japan doubled from 1992 to 1995, with the share of imported cars in the overall Japanese market increasing from 4.5percent to 10.2 percent in the past six years.

As a result of all this, I think we can say that we have entered a new era in the U.S.-Japanese relationship — one of cooperation rather than one of friction.

There are a number of global issues awaiting our joint efforts. Among them are regional conflicts, former socialist countries that need strong support in switching to market economies, the environmental deterioration, and energy shortage in the near future. In all these areas we are expected by the rest of the world to cooperate, and in all these areas both of us must make efforts. Now our energies must be directed not toward economic frictions, but toward solving these pressing issues.

In addition, considering the globalization of industrial activities, it is no longer relevant to negotiate and have an agreement on issues related to global industries in a limited bilateral context such as between Japan and the U.S. The era of "bilateralism" is over. This is not to say that bilateral frictions will disappear. But any such friction from now on will have to be solved in accordance with the WTO and other international rules and by following market mechanisms.

Nonetheless, I think I should address two economic issues pertaining to the United States and Japan that are attracting growing attention. One has to do with the semiconductor industry, and the other with the photographic film industry. Both issues must be solved in a manner I have just described, in a constructive way. I take them up here, today, partly because they are excellent examples of problems we can solve with coolheadedness, and partly because I wish to explain clearly our positions on these issues.

Let us first look at the issue involving the semiconductor industry. The focal point of this issue is whether or not to extend the existing Arrangement which is already ten years old. The original Arrangement had a five year term, which was extended by five years, with an understanding on both sides that it would expire in July this year.

Our position is that we no longer need any such arrangement, in any form. Let me explain.

Firstly, this Arrangement has been seen as a symbol of "managed trade" during the Framework Talks in the past two years. It is inevitable that its extension, in any form, will adversely affect the free trade system of the world.

Some of you might recall that Japan entered into this Arrangement on the assumption that it was designed to improve market access. Nevertheless, soon after it was signed, the United States openly interpreted the foreign market share expected by the U.S. semiconductor industry of 20 percent as a commitment on the Japanese side, threatening to take unilateral measures under Section 301 unless Japan achieved the expected goal. And in fact, measures under Section 301 were taken to impose 100 percent tariffs between 1987 and 1991 without any rational explanation. And even after the second Arrangement was made, heads of the U.S. Government repeatedly threatened Japanese industries to achieve this expected market share by implying possible usage of Section 301 measures. In other words, the Arrangement produced the unfortunate result of inviting the United States to interpret it as an arrangement on managed trade.

The numerical targets that the United States often proposed during the Framework Talks can be traced to the expected market share of this Semiconductor Arrangement. Since Japan's good faith gesture led to an unfortunate and acrimonious misunderstanding, we proposed, during the interim review in 1994, that this Arrangement should be scrapped as soon as possible. But we needed a "yes" from both sides to do so, and the United States objected. Fortunately, however, we did agree on the final expiration date, namely the end of July this year, five years ago when the present Arrangement was agreed. We must let the Arrangement die, with the resolve not to allow any similarly conceived agreement in the future.

We do not share the view of the U.S. side that the share of foreign-affiliated semiconductors in Japan increased significantly because of this Arrangement. The Arrangement contributed to promoting industrial cooperation between Japanese and foreign corporations, including U.S. corporations, but the increase in foreign market share has reflected primarily increased competitiveness of foreign-affiliated semiconductors and dramatic change in the demand structure of Japan, both of which are independent of the Arrangement. I will elaborate on this development later.

By extending such an Arrangement we would allow managed trade to spread throughout the world with a possible use of Section 301. As the two biggest economies in the world, we cannot be that irresponsible.

The second reason why we must allow this Arrangement to lapse is that it assumes government intervention. Government intervention flatly contradicts the principle of deregulation, which is the central part of the Hashimoto Administration's policy. For that matter, deregulation is what the United States has been insisting on throughout the Framework Talks, and other foreign countries and regions such as the EU have expressed similar views. Extending an arrangement that requires government intervention which is not needed anymore would also go against the policy of the current U.S. Administration, that is — the era of big government is over. The Semiconductor Arrangement stipulates that the Japanese government support cooperative relations between Japanese and foreign firms and that the two governments monitor the sales of foreign chips in the Japanese market. There is little doubt that these provisions, along with the reference to the expected market share, provoked the U.S. Government to expect unnecessary government intervention from Japan. When this was combined with Section 301, friction was inevitable. All this means that this Arrangement does only harm and must be done away with on the earliest occasion possible.

The third reason that I want to scrap this Arrangement is that its initial goals of improved market access and preventing dumping have been more than achieved. When you look at market access first, you see that the share of foreign semiconductors in the Japanese market increased from 9 percent in 1986 to 27 percent in the third quarter of 1995, with the value of foreign semiconductors sold in Japan increasing seven-fold from 1986 to 1994. The number of design-in activities between Japanese and foreign-affiliated corporations increased ninefold over the same period. As for dumping, there has not been a single case in this category in the United States since the Arrangement was made ten years ago.

In addition, the semiconductor industry has changed worldwide on both the supply and demand sides. First on the supply side, development and production have been globalized. The U.S. industry has more than regained its competitiveness. Asian manufacturers are joining the ranks in droves with 12 percent production share in the world in 1995, greatly increasing the number of competitors. On the demand side, the number of users of personal computers has grown, and Japanese users now produce their products outside Japan, procuring more semiconductors abroad. The expansion of demand for personal computers in Japan necessitates the kinds of semiconductors which foreign, and particularly U.S., manufacturers have competitiveness for. When you consider all this, the Arrangement in question has become basically irrelevant to, and completely separated from, the economic realities.

As an indication of just how dramatically circumstances have changed, I would especially point to joint ventures between Japanese corporations and their foreign counterparts in this field. In the past ten years, a complex network of alliances has come into being — not only between Japan and the United States, but between Japan and EU and Japan and Asia, perhaps the U.S. and EU, and the U.S. and Asia as well. Such industrial cooperation is vital and will continue, but there is no need for government intervention to promote such industrial cooperation any more. Any attempt to monitor imports of foreign-affiliated semiconductors, classified by the nationality of the producers, has become practically meaningless and is possibly inconsistent with WTO rules. Moreover, such an approach can even be harmful, considering the unreasonableness of situations such as a case when the nationality of semiconductors changes overnight simply because the producer is acquired by the other country's corporation.

Left to market mechanisms and entrepreneurship, industrial cooperation will grow further without any government intervention. This is particularly true of the semiconductor industry, where technological innovation is rapid in the transnational economic structure. I need not remind you that the importance of market mechanisms and entrepreneurship is what the United States has been advocating all these years. In spreading this idea, Japan simply wishes to work as a good colleague of the United States.

Government intervention under the Arrangement is not needed for the Japanese and U.S. industries; it only arouses suspicions of industries and governments in other countries. The situation is changing fast. The Japanese market share worldwide is shrinking. It will not be long before the combined share of other Asian countries surpasses that of Japan. An estimate shows that the Asian market will be 26 percent of the world market in 2000, while Japan will be only 20 percent of the world market. Korean and Taiwanese corporations, particularly, are rapidly expanding their ability to supply. Did any of you know, for example, that the biggest producer of DRAMs in the world today is a Korean firm, Samsung? With the picture of the global structure of the industry in your mind, you would easily share our concern that government intervention under the Japan-U.S. bilateral arrangement would not only be meaningless, but also have negative effects of spreading this sort of managed trade arrangement to other parts of the world.

Early this week, a trilateral meeting on the semiconductor industry was held with the participation of the U.S., EU and Japanese Governments in Brussels. On this occasion, EU clearly opposed the extension of the Japan-U.S. Semiconductor Arrangement because EU believes that this is inconsistent with the spirit and rules of WTO. Now people and governments in the world are watching carefully whether this Arrangement is terminated in July as agreed, and looking forward to seeing appropriate and desirable policy judgment by the two Governments.

I think I have said enough on the semiconductor issue. Let me now turn to the issue of the photographic film industry, which is essentially Kodak's complaint against Fuji Film.

First, all of the Kodak allegations are related to the application of the Japanese Anti-Monopoly Act. It is true and widely known that Fuji's market share in Japan is about 70 percent, while Kodak also has about 70 percent market share in the U.S. This is the so-called mirror image argument. If anyone wants to allege violations of antitrust laws, it is appropriate to deal with its complaint from the viewpoint of competition policy. Under the Japanese Anti-Monopoly Act, complainants may report to the Japanese Fair Trade Commission (JFTC), and the JFTC shall make the necessary investigation. However, Kodak appealed to the United States Trade Representative (USTR), not to the JFTC. By taking its case to USTR, Kodak revealed its desire to rely on unilateral, political actions, which are not compatible with the WTO rules. It is crystal-clear that it is neither MITI nor USTR that make legal judgments based on antitrust laws and enforce those laws. Kodak argues that the JFTC is weak and inefficient. I have two comments. First, Kodak has no right to say this, since it has never even tried to go to the JFTC. Second, the unavoidable fact is that Japan is independent, and the JFTC is the relevant government agency for enforcing competition law.

Aside from that, prompted by SII talks, we have drastically strengthened the JFTC. This is evident in the number of cases the JFTC has brought against violators and the total of surcharges imposed, which are now almost comparable to those of the United States and European countries. These results, of course, may not be something Japan boasts about. But if these things are not known to Kodak and others, it only shows that the Japanese virtue of not boasting can allow serious misunderstandings to develop.

In addition to the strengthened JFTC, I should emphasize the fact that the film industry as an oligopoly has been under JFTC's watchful eye; that the JFTC has undertaken detailed surveys of this industry whenever appropriate: and that the JFTC has instructed the industry to change its practices to increase competition. I hope that the USTR or the U.S. Government will tell Kodak to withdraw its complaint from USTR and to recognize that the JFTC is the right place to go, since Kodak's concern lies in antitrust areas.

Second, I think one solution is to look at the film markets objectively to analyze the relationship between trade and competition policies. This approach must include third parties to achieve objectivity and balance. We have already proposed that the trade committee of the OECD conduct a case study of the film markets of major countries including the U.S. and EU. Unfortunately there is no consensus to commence the study in spite of wide support from the EU and other countries. We know who blocked the consensus, and we regret it.

Third, on 21 February, the JFTC announced that it would examine the film industry as part of its survey on transactions among corporations — an important and constructive move based on a sound judgment. This is one of the surveys the JFTC continues to conduct periodically, but I understand that the new survey will have two distinct features: first, the study will cover Japan's film market as a whole, so will look into Kodak as well as Fuji; second, it will take into account the points raised by both Fuji and Kodak and will look into the competitive situations and applicable laws, not only in Japan, but also in the United States and European countries.

At MITI, we have made clear that we will not negotiate with the United States regarding Kodak's allegations. The JFTC is the appropriate agency for examining competition law issues, not MITI. In particular, now with the JFTC survey on the Japanese market going on, it would be completely inappropriate for MITI to intervene on this issue.

In any event, what is puzzling to us is the fact that the world-famous Kodak and, for that matter, the U.S. Government, have not tried to use either international rules or national competition laws, but seem determined to resort to the unilateral Section 301 of U.S. trade law. Such an action cannot but betray the trust of consumers worldwide, particularly in Japan.

At this point I have every confidence that the JFTC will conduct its study following its own rules and in a way that will be welcomed by the rest of the world.

To go back to the overall U.S.-Japanese relationship, I repeat that we have entered an era of cooperation. The deeper our economic interdependence becomes, the more frictions there may be; but if they happen, we should not allow them to hamper our basic cooperative stance. We must — and, I believe, we can — solve disputes in accordance with international rules and on the basis of market mechanisms. As for areas that lie outside the WTO rules, I think it would be most useful to create bilateral dispute resolution mechanisms between our countries, such as those that exist between Canada and the United States. This is something that Prime Minister Hashimoto has repeatedly advocated since the days he was Minister of International Trade and Industry.

Allow me to remind you once again — Japan and the United States are the two largest economies in the world. Let us solve disputes in accordance with international rules, which are the fruit of our collective wisdom at present. Let us not allow such disputes to distract us from more pressing global issues such as security, environment, energy, and the strengthening of international rules. All these issues require our cooperation, and it is our responsibility to work together. We don't really have the time to indulge in trade disputes.

I hope President Clinton's visit to Japan in April will provide an excellent opportunity to declare to the world that we have entered an era of cooperation in security, economic policy and politics. Thank you very much.

Moderator: Now we will start the Q&A session. As is the custom, we should start with the members of the press. Please raise your hand and mention your name as well as affiliation.

III. Possible impact of structural changes in the Japanese economy on employment in Japan

Q: Mr. Sakamoto, you talked about the structural changes in the Japanese economy as helping to reduce the trade surplus and also to reduce frictions with the United States, but how concerned are you about the impact of these structural changes on the domestic economy, particularly on employment in Japan. It seems that there is an enormous increase, for instance, in so-called reverse imports of products made by Japanese companies back into Japan. The unemployment rate here is not declining, new jobs are not being created in the service sector, and at the same time, they are being lost in the manufacturing sector. How concerned are you about the impact of structural changes in the economy on employment in Japan?

Vice-Minister for International Affairs Yoshihiro Sakamoto: I am trying to reply in my poor English, but when I can't find an appropriate word, I need the help of an interpreter. First of all, that question is quite vital for the near future of our economy, but similar to other developed country's experiences, we cannot avoid the employment problem from now on, because of deregulation, structural change, or increased import. That is true. But, on the other hand, still we need the reform of our economic structure, and we must find new jobs in new areas; through deregulation we hope entrepreneurship or venture businesses will be coming out. We have to revitalize the private sector, and of course, sometimes, it causes more concern of unemployment; but if we do not pass through those difficult periods, we cannot find the new perspective of the economy as a whole. Unfortunately, the present economic and social system is faced with difficulties in the light of the fundamental change of our economic and social reality. So, we have to break through. I am concerned about unemployment, but almost all advanced countries have had an experience of this type; so I think Japan can overcome this problem through the appropriate or dramatic structural change. So, I am not so pessimistic about the future.

IV. Overseas production by Japanese companies in comparison with that of other developed countries

Q: A related question — I understand that presently Japan does about 9 percent of its manufacturing overseas, which is about three times the percentage it was in 1985. Could you give us a prediction as to what that percentage might be five years from now, ten years from now? Do you think it ultimately will go as far as the 30 percent that the United States manufactures overseas? If you don't think it will go that far, could you give us a reason as to why you don't think it would go to 30 percent?

Vice-Minister for International Affairs Yoshihiro Sakamoto: As you pointed out, the percentage of overseas production of Japanese companies is still low compared with other developed countries, especially the United States. So, I think the percentage of overseas production will increase from now on, too. Unfortunately, I can't fix a specific number or percentage in the future. The question is: how Japan as a whole is trying to make our nation an attractive place for investment from overseas or for the investment of domestic companies. As I said before, to attract investment from overseas and investment of domestic companies, we need deregulation, and in some sense, we need a decrease of our social cost. The high cost structure, unfortunately, is built in some areas. Fortunately, in some sense, the sharp appreciation of the Japanese yen has been contributing to lower ices [as received]. So, I think that, from now on, so-called emerging economies — Asia, Eastern Europe, or South America — those emerging economies, as you know, have entered into the market mechanism and economic reform. So, I think in the near future, they could be our competitors. We cannot avoid this competition. Unless we try to decrease our social cost, I think it is clear that we could be defeated by those emerging economies — and not only emerging economies, but judging from the excellent recovery of U.S. industry, especially in the information technology area, we cannot not be a good competitor in the future. So, if Japan can continue to be an attractive country for domestic companies or overseas companies to invest in, I think the ratio of overseas production would not increase so much. But otherwise, I think the option of Japanese companies would be transferred overseas.

V. Role of trade agreements between Japan and the United States vs. purely economic factors in the decline of Japan's trade surplus

Q: As you mentioned, Japan's trade surplus has been shrinking rapidly, and I was wondering what you would attribute this to. Is it mostly business, economic reasons, or have agreements with the U.S. over the last several years played a significant role in shrinking the trade surplus?

Vice-Minister for International Affairs Yoshihiro Sakamoto: I think the main reason for the reduction of our trade surplus is the high appreciation of the Japanese yen over these two years. The consumers' options have been widened. For instance, autos — because of the high appreciation of the Japanese yen, the price of foreign-made cars has decreased, and the options of consumers, including young people, have widened, and they can compare the foreign cars with domestically produced cars. As I said in my statement before, the market share of foreign cars has increased to over 10 percent. Secondly, the production base of Japanese companies has been transferring overseas. This is the second reason, and from now on, this reason would work. So, some people from foreign countries are claiming that, because of the government-made agreements, the exports have increased. It is not correct. The imports to Japan have been increasing dramatically from all over the world — from Europe, from Asia, from the U.S., from China and so on. As far as some countries are concerned, we have quite a lot of trade arrangements, but normally, we do not have such types of trade agreements — with Europe, with Asia, with China, and so on. I think the reason for in imports is based on the change in economic conditions — exchange rates, the taste of consumers, and the efforts of foreign companies to penetrate the Japanese market, because the conditions have been improving for the foreign companies to penetrate into the Japanese market. So, I think the basic reason for the reduction of our trade surplus is based on the change in the economic situation.

VI. Investment in Japan by foreign-affiliated companies

Q: Mr. Sakamoto, you already touched upon the topic of direct investment. Normally, we always speak about the investment of Japanese companies abroad, but the balance seems to be very negative — I mean the investment of foreigners in Japan is very low. Do you consider that a good point for the Japanese economy, or is it a signal that something is wrong?

Vice-Minister for International Affairs Yoshihiro Sakamoto: The gap between overseas investment by Japanese companies and investment into Japan by overseas companies — I do not think it is a sound situation. I think that, to that extent, the Japanese economy, or Japan, is not so attractive to overseas companies, to produce in Japan. So, as I said before, I think that we need more investment by foreign companies, and we have to make our economy more attractive by reducing our social cost, or deregulation, and so on. On top of this, I think we need not only the business opportunity, but also, we need more infrastructure, some more convenient facilities for foreigners and their families and children — hospitals and schools and so on. In my personal impression, the gap between overseas investment from Japan and investment into Japan is not desirable. So, I think that we need to construct or arrange more fundamental conditions for foreigners and foreign companies to enjoy being in Japan.

VII. Possible relationship between the issue of the Large-scale Retail Store Law and the photographic film issue

Q: I think one longstanding complaint that the U.S. has had has been the Large-scale Retail Store Law. I think that also applies to the film case as well. Given that MITI is such a champion of deregulation, why hasn't there been a greater effort by MITI to get this Law relaxed?

(As Vice-Minister Sakamoto spoke in Japanese in answer to this question, the transcription of the answer which follows is based on the professional interpretation into English of his remarks.)

Vice-Minister for International Affairs Yoshihiro Sakamoto: This needs a very complicated explanation, so if I may speak in Japanese, the interpreter will help me. Concerning the possible revision and implementation of the Large-scale Retail Store Law — according to my opinion, I believe that there has already been considerable relaxation of this Law, and when new large-scale retail stores are to be opened, if we compare the present situation with that of the past, the process itself has been accelerated a great deal in terms of speed, and the process has been much facilitated. But I am well aware of the fact that there are many parties concerned who point to the fact that there is greater need for deregulation of the Large-scale Retail Store Law, and MITI has been administering this Law in line with the direction of further relaxation, although this process might be on a step-by-step basis. You have pointed out that there is possible connection between the question of color photographic film and the implementation of the Large-scale Retail Store Law; but when I look at the current situation of the Japanese distribution system, it is possible for any small-scale retail shop to carry color photographic film in their merchandise. In light of this actual situation of the Japanese distribution system, despite the fact that it is, of course, true that large-scale retail stores might have more advantage, I do not believe that there is a critical obstacle against the small-scale retail stores.

(Transcription which follows is of Vice-Minister Sakamoto's remarks in English)

VIII. Possible responses of Japan to United States requests for discussions on various trade issues

Q: Mr. Sakamoto, this is going to be a slightly ijiwaru, nasty question. You mentioned that for Japan, the United States is the most important ally, and this ally is asking to negotiate in those four areas, including the photo film market, insurance, aviation, and so on. My question is: as Japan's most important friend is asking for negotiation, why not agree? Especially given that the United States is this year in an election year, whatever the result is going to be, chances are the trade pressure again will be renewed.

Vice-Minister for International Affairs Yoshihiro Sakamoto: Among the four areas you pointed out, insurance and air transport have already been discussed between us. Secondly, as far as the semiconductor issue is concerned, I think we must have talks when the U.S. side raises this question formally. Up to now, there have been informal exchanges of views — for instance, between Ambassador Shapiro and myself last week, or on other levels. Last month in Los Angeles, our staff have already discussed about the extension or not of this arrangement. So, informal discussion has already started. So, if the U.S. side raises this question formally — for instance, at the time of the Quadrilateral Meeting which will be held in the middle of April — I think we are willing to listen to what the U.S. side would like to say. As far as the film area is concerned, I believe that all of Kodak's allegations to the USTR is related to the Anti-Monopoly Law's enforcement and implementation in the Japanese market. So, as I said in my speech, this should be handled through the due process of the Anti-Monopoly Act in the Japanese market. So, we have awaited Kodak's approach to the JFTC; but unfortunately they have not done so. So, the JFTC has started their investigation by self-initiation about the film market, within the Japanese Government. But, as you know, the JFTC is a quasi-judicial organization. Their judgment is comparable with the first instance code of the judicial mechanism. So, a judicial institution should not negotiate with their judgment. Otherwise, judgment would be distorted by social or political pressure. So, I think that judging from the character of this issue, negotiation with other sectors, including foreign countries is not appropriate. Of course, people can argue about the outcome of the survey of the Commission; it is free. But it should be judged inside the judicial system. This is my reason why this film issue is not appropriate for both countries to negotiate. On top of this, the approach based on Section 301 is a bluff or threat to other countries. I don't think this approach is appropriate under the new world trading order of the WTO, which clearly states that unilateral action is inconsistent with the WTO. That is the second reason.

IX. Japan's evaluation of the results of last year's Japan-U.S. agreement on autos and auto parts, and Japan's view on the recently announced national car project in Indonesia

Q: We are now at the six month review point of last summer's auto trade accord. For my first question, I would like to know your evaluation so far of the results from that accord. A second question: Indonesia recently announced a national car project, and gave pioneer status to a company which is formed by investors from Indonesia, as well as Korea's Kia Motors. This would seem to create a situation where they would enjoy considerably more favorable tariff treatment than existing assemblers who assemble largely Japanese vehicles. I understand that Japan is not particular happy with this arrangement. Does MITI or the Japanese Government intend to take this issue about the Indonesian national car project to the WTO?

Vice-Minister for International Affairs Yoshihiro Sakamoto: Firstly, the estimate of the effect of the auto and auto parts agreement — I think that, apart from the agreement, the economic conditions are moving more and more rapidly than the bureaucrats who follow. Of course, the agreement has made some contribution to create an atmosphere for the U.S. companies to try to penetrate into the Japanese market. So, I have not yet heard the exact figures of the effect of the increase of import, or more procurement of auto parts by Japanese companies in the U.S. or in other foreign countries, but judging from the overall figure of the import increase, I think that the agreement has not been working as a negative influence; but again, I would like to emphasize that, regardless of the agreement existing or not, the economic conditions, including the consumers' options, have dramatically changed for the better regarding foreign cars. On top of this, because of the intensive efforts made by the American auto industry to increase their productivity, or the improvement of quality, I think the competitiveness of American cars has been strengthened quite a lot compared with some years ago and so on. So, in that sense, that agreement has not worked negatively. I think that we are not unhappy with the outcome of the agreement.

Secondly, as far as Indonesia's new policy of national cars — honestly speaking, I do not have much knowledge on this issue at the present. I have to check with the details of this concept. So, we have to have more investigation, or more survey, of the situation of the Indonesian car market and car production, and if necessary, we need some talks with the Indonesian Government. But at the present time, it is still a hypothetical assumption. Sorry, but I myself have not much detailed knowledge of this situation.

X. Importance of expanding the competitiveness of Japan's information industries

Q: If I understood your earlier remark, you believe Japan lags far behind the U.S. in the information industry. If that is correct, could you say how far behind? How important is it to the future of Japan's economy that Japan catch up and become competitive? What sort of policies — for example, does industrial policy play a role in doing that? What are the main obstacles? How do you see that Japan could overcome those?

Vice-Minister for International Affairs Yoshihiro Sakamoto: The question of how many years we are getting behind the U.S. is hard to answer, but some people say 10 or 20 years. But I myself think over 10 years, our information industry — including not only the hardware industry, but also the telecommunications systems, or multimedia systems, or the Internet, satellites, and so on — I think that we have been getting behind the U.S. Secondly, this information industry is vital for the future of Japan. Japan has been making a great effort to build a manufacturing society for these last 50 years. Fortunately, in some sectors, Japan has got a competitive sector. But the world is changing from a manufacturing society to an information-oriented society, and I think one of the causes of the U.S. economy's recovery of vitality has been the rapid increase of the so-called information industry, including multimedia, telecommunications, satellite industry, and so on. So, from that standpoint, I think our policy of deregulation on telecommunication must be vital and critical for the future development of our information industry. On top of this, the value of information has to be understood in the society as a whole. The transfer from the manufacturing society to the information society is not only an issue of industry, but also an issue of society as a whole. So, I think that the young people, the new generation of our society, has already understood the value of information through the Internet and multimedia, and so on. So, I think that first of all, we have to establish the value of information, that it is important, similarly important, compared with motorcars, housing, and those hardware items. More free choice must be opened for the consumers to develop those information industries. We need many more free opportunities for business to get into these information industry areas. Unfortunately, in the field of satellites, I am not sure whether Japanese industry can catch up, but they are still trying. So, I think, whether you like it or not, it is a fact of life that emerging economies could surpass the competitiveness of the manufacturing sectors someday in the future. So, we must find other growing sectors to keep employment. So, we have to change the concept of the values of society from the manufacturing society to the information society. But unfortunately, including MITI, we have not yet succeeded in this change of values in our society. That is my personal view. I am not criticizing some agency.

XI. Japan's reaction to European Union ideas on a private-sector forum on the semiconductor issue

Q: Let me ask one question about the Japan-U.S. Semiconductor Arrangement. Can I have your comments on the European proposal to set up a private sector arrangement where Japan, the United States, and the European Union can discuss semiconductor-related issues? Is the Japanese Government excited, because this can be an alternative to the bilateral agreement, or is the Japanese Government suspicious about the Europeans' motives behind the proposal? What are the opinions MITI might have about the European proposal?

Vice-Minister for International Affairs Yoshihiro Sakamoto: Honestly speaking, the European side did not present a concrete idea of the so-called World Semiconductor Forum, which was reported in some newspapers. But, European industry and European countries have had a feeling that they have been excluded by the U.S.-Japan Semiconductor Arrangement, for these 10 years, as the U.S. and Japan semiconductor industries have had close contact on the industrial level and close contact on the governmental level. So, the European side must have a feeling that in this globalizing industrial sector, European countries and European industries must join in such type of scheme. But they have not specified some scheme. But, for instance, for these three or four years, the European side presented their desire to join in the business talk more closely. As far as the government level is concerned, at the time of the trilateral meeting which was held at the beginning of this week, they did not present any concrete idea. But they presented their principles — the first is that all talks must be based on the rule of market mechanisms, and second, if there are some areas that the governments have some involvement, that involvement should be based on consistency with WTO rules. The EU side made such a non-concrete conceptual approach, but they have not yet discussed some concrete idea. So, I think what the European side desired is more involvement and contact on an industrial level, and on top of this, if some government involvement is needed, it should be based on the WTO. That is the present position of the European side. I think the U.S. side would like to discuss more about this issue.

XII. Japan's position in possible discussions with the United States on semiconductors

Q: Another question on semiconductors. You said that the U.S. and Japan must have formal negotiations. But Japan has already said that no extension is needed in any form, and you have been very consistent and very clear on this point. So, when you meet with your American colleagues on the formal level, do you have more than what you have already said, and if so, what would you tell them?

Vice-Minister for International Affairs Yoshihiro Sakamoto: Formal or informal, our position is as I said in my speech. So, we do not change our position, but when the U.S. side would like to raise this issue at various levels — ministerial-level, the vice-ministerial-level, or the staff-level, and so on — we have to respond sincerely as to what we are thinking. Whatever word people use — negotiation, or talks, or discussion, and so on — in any case, we are trying to convey our position. In that sense, there is not much more to say, but we have to say our position, because the U.S. side has a different position than ours. So, we try to persuade, and try to let them understand our position, and let them understand the raison d'etre of this government agreement in the light of the dramatic change of the world situation of the semiconductor industry.

XIII. Japan's possible response should the United States request Government-to-Government negotiation on the photographic film issue

Q: You have made it very clear on semiconductors that you are willing to listen to what the U.S. Government has to say, you have to respond sincerely, whether it is negotiations, talks or discussions, even though your positions are very different. In the Kodak issue, you say it is not appropriate to speak Government-to-Government, or MITI-to-USTR. Would you flatly refuse to meet with the U.S. Government on the Kodak issue?

Vice-Minister for International Affairs Yoshihiro Sakamoto: As I said before, I think this is an issue of the implementation of competition policy on the Japanese side. I personally hope that the implementation of the Anti-Monopoly Law or the competition policy of Japan is as comparable as possible with other advanced countries, and I believe that the JFTC would handle this issue in line with our hope. So, as I said before, it is not appropriate for the countries to negotiate from the standpoint of trade. So, in that sense, I think it is not necessary for us, especially MITI, to negotiate this issue from the standpoint of unfair trade practice, which the U.S. side claims. I believe that this should be handled as a matter of competition policy. So, in that sense, it is not suitable for trade negotiations. This is my opinion.

Q: Would you refuse if the USTR asked directly?

Vice-Minister for International Affairs Yoshihiro Sakamoto: Yes.

XIV. Possibility of future employment problems in Japan

Q: I will be as brief as possible, but It seems to me that there is a possibility that Japan faces a real unemployment crisis. If I am wrong, please tell me where I am wrong. The things you talk about, such as deregulation and reduction in social costs, are obviously going to take time, several years at least — finding new jobs in the information sector and so on. In the meantime, foreign investment into Japan is going to remain slow, one assumes. Job displacing overseas investment out of Japan and reverse imports are probably going to remain high. Big manufacturers probably can compensate; they can use their increased profitability to subsidize their work forces in Japan, but the small and medium sized companies, who employ something like 70 percent of the total work force in Japan, are having a very rough time. So, at what point does MITI begin to worry about levels of unemployment, and how high do you think unemployment is likely to go in the next year or so in Japan?

Vice-Minister for International Affairs Yoshihiro Sakamoto: I think when you calculate hidden unemployment, already the employment problem is quite serious, in my personal understanding. So, the MITI thinking on this situation — serious — but on the other hand, we have to find out the new areas, the new opportunities, for the companies to get into. Especially, as you pointed out, the difficulties of small and medium enterprises are not easy. So, they must discover new areas, and MITI can help to some extent for those small companies to find more profitable areas. So, at the present time, I have not many more concrete ideas, but again, I think hidden unemployment is not easy for the economy to absorb from now on. If I mention about the specific figure of unemployment in a year, it could cause some political embarrassment to me, so all that I can say is that I hope the ratio of unemployment could decrease. That is my response.

Moderator: OK. Thank you, Mr. Sakamoto, for this longer-than-unusual and quite stimulating session. To express our thanks, I provide you with a one-year honorary membership.

Vice-Minister for International Affairs Yoshihiro Sakamoto: Thank you very much.

Japan: LDP, SDP Differ Over Defense Cooperation With U.S.

OW2003043396 Tokyo MAINICHI SHIMBUN in Japanese 17 Mar 96 Morning Edition p 2

[FBIS Translated Text] Amid the growing military tension between China and Taiwan, the ruling coalition has begun discussions on ideal ways for defense cooperation between Japan and the United States in an emergency. The collective self-defense right issue, which lies at the basis of the arguments, has been a focus of defense debate between the Liberal Democratic Party [LDP] and the Social Democratic Party [SDP, former the Social Democratic Party of Japan] after World War II. Although the two parties are now partners within the tripartite coalition, there is a large gap between the two parties in views on the issue. There is a little possibility that the coalition will reach a drastic conclusion of change of the conventional interpretation of the Constitution. Although the U.S. Government has increased pressure on the coalition-leading LDP, Prime Minister Ryutaro Hashimoto and the LDP leadership intend to give priority to the maintenance of the coalition administration. The ruling coalition parties are now facing difficulties in working out a unified view on Japan-U.S. defense cooperation.

The collective self-defense right means that a nation "can use force to counter armed attacks against a foreign country that is allied with the nation itself even if it is not directly attacked." The right is approved in the UN Charter. However, in case of Japan, the government has long maintained that Japan "has the right of collective self-defense, but, the Constitution does not allow it to exercise that right." According to this official view, in case the U.S. forces should start warlike actions on the Korean peninsula or in the Taiwan Strait, the Self-Defense Forces cannot be involved in them, including logistical support activities for the U.S. forces.

On 15 March, the LDP's Security Research Commission on Security (chaired by former Defense Agency Director General Tsutomu Kawara) issued proposals on ways for Japan-U.S. defense cooperation, including study on the collective self-defense right. Meanwhile, the SDP is nervous about the LDP-led defense arguments related to the China-Taiwan issue. Shigeru Ito, SDP vice chairman and Policy Board chairman, criticizes the LDP commission's proposals, saying: "We are very worried that the China-Taiwan issue will be settled with ideas of the Cold War era such as emergency legislation." The SDP intends to compile its views on new roles of the Japan-U.S. Security Treaty by the end of April.

Under these circumstances, the United States is actively working on Japan. Richard Armitage, former U.S. assistant secretary of defense, met with Taku Yamasaki, chairman of the LDP's Policy Research Council, at the party headquarters on 14 March. They exchanged views on such issues as possible Japan-U.S. cooperation under the Japanese Constitution, keeping possible U.S.-China military conflicts in mind. Armitage has influence over the U.S. Government's decisions on policies toward Japan.

Meanwhile, U.S. Ambassador to Japan Walter Mondale invited to his official residence LDP deputy Secretary General Hiromu Nonaka, Kaoru Yosano, deputy chairman of the Policy Research Council, Masahiko Komura, former director general of the Economic Planning Agency, and Katsuhiko Shirakawa, general affairs section chief, on the night of 12 March to exchange opinions. In connection with the fact that the U.S. Government has dispatched the aircraft carrier "Independence" — whose home port is Yokosuka — to waters near Taiwan, Yosano reportedly said: "We appreciate the United States' fulfilling its responsibility as a superpower. We think China has gone to extremes militarily."

Japan: Growing Tension Noted Over Land Lease Expiration

OW1903044696 Naha RYUKYU SHIMPO in Japanese 19 Mar 96 Morning Edition p 2

[FBIS Translated Text] Yomitan — With the approaching expiration of a lease for a U.S. military facility on 31 March, growing tension is noted in the village of Yomitan. For example, it is noteworthy that the prefectural police have started making rounds of the village in patrol cars. The prefectural police have been patrolling the area close to the site in question — the Sobe communication site of the U.S. forces (known popularly as the Elephant's Cage) — since around February. However, the police have recently increased the number of their patrol rounds and have decided to set up a countermeasure headquarters as early as late March. Moreover, since some radical factions have indicated their intention to move into Okinawa from all over the country, the police are expected to keep a close watch on the neighboring areas around the expiration date.

Normally, the areas neighboring the Sobe communication site attract no special attention, as there are many farm plots where landowners are allowed to engage in farming under tacit approval. However, when the land lease expires, the state will be "illegally occupying" the land beginning 1 April; and lately, the police have frequently been seen patrolling the area in patrol cars or vans.

The state will be "illegally occupying" land for U.S. military facilities for the second time. The last case was in May 1977, when various disturbances were reported. For example, students broke into bases in vehicles.

Moreover, radical factions are calling on the whole nation to join forces through their organizations with such slogans as "Let's turn Okinawa into a magazine of the revolution." The prefectural police estimate that about 800 radicals — about the same number that moved into Okinawa in 1987 when the National Athletic Meet was held here — will move to Okinawa. The police are all nerves with their concern over the possibility that radicals will involve local residents in some incidents by taking advantage of their actions.

On the last occasion, the U.S. forces even restricted admittance of the landowners themselves, although they did not have any right to use the land after the leases expired. As a result, friction occurred between U.S. forces and landowners who demanded admittance, and protests also took place against excessive policing. It remains unknown what measures will be taken this time. However, if admittance is denied landowners, their families, or others, friction is anticipated between them and those on guard.

Japan: Okinawa Landowner Considers Suing U.S. To Regain Land

OW1903131596 Tokyo KYODO in English 0824 GMT 19 Mar 96

[FBIS Transcribed Text] Naha, Japan, March 19 KYODO — A landowner in Okinawa Prefecture is considering taking legal action against the U.S. Government if, as expected, the Japanese Government fails in its attempt to renew a contract on the compulsory use of his land for the U.S. military ahead of its imminent expiry, his lawyer said Tuesday [19 March].

Shoichi Chibana, 47, may sue or seek a court order against the U.S. Government after the lease on his land in Yomitan, about 25 kilometers northeast of the prefectural capital of Naha, expires at the end of March, his lawyer Zenzo Ishimine said. The land in question is occupied by a U.S. telecommunications facility.

Chibana, a peace activist, is one of many unwilling landowners who have been forced to provide their Yomitan land-lots to the central government, which then supplies the land to the U.S. military stationed in Okinawa, southwestern Japan.

Chibana plans to file a lawsuit with the Naha District Court on April 1, asking the court to order the central government to evacuate his land following expiry of the contract and not prevent him from entering the site, Ishimine said.

The government is reportedly planning to seek a court injunction against landowners entering their land even after the lease contracts expire to ensure that the U.S. bases will remain closed to them.

No renewal of the contracts is expected by the deadline since Okinawa Gov. Masahide Ota has refused to sign documents necessary for land lease renewal, an action for which the governor was sued by then-Prime Minister Tomiichi Murayama late last year.

Ota's refusal came amid growing calls for the withdrawal of U.S. troops from the island prefecture in the wake of the rape of a local schoolgirl, for which three U.S. servicemen were convicted March 7.

The Naha branch of the Fukuoka High Court is scheduled to hand down a decision on the land dispute between Tokyo and Naha on Monday, but even if the government wins it will not be able to finish the necessary steps to renew the contracts by the deadline because the governor is expected to defy a court order to sign the papers.

Chibana is considering taking legal action against Washington because it is virtually impossible for Tokyo to evacuate the Yomitan land unless the U.S. military dismantles antennas and other equipment built on it, the lawyer said.

Tokyo, Beijing Plan To Help Build Russian Economic Zones

OW1903145696 Tokyo KYODO in English 1411 GMT 19 Mar 96

[FBIS Transcribed Text] Tokyo, March 19 KYODO — Foreign Minister Yukihiko Ikeda will announce Wednesday [20 March] a Japan-China joint program to assist Russia in building special economic zones in the Russian Far East, government sources said Tuesday.

Ikeda, who left Japan for Moscow earlier in the day, will make the announcement at the first meeting of a Japan-Russia governmental committee on trade and economic issues in the Russian capital, the sources said.

As the first attempt under the program, Japan and China will work for the development of a special economic zone in Nakhodka, near the border with China and North Korea, the sources said.

Analysts said although the zone is equipped with the largest port in the Russian far eastern area, it has not fully demonstrated its function as an economically-favored district.

Tokyo and Beijing plan to invite Russian Government officials and experts in charge of the Nakhodka zone to Dalian, a well-developed Chinese special economic zone, to learn from their Chinese counterparts, the sources said. Japan will shoulder the cost of the training, they said.

Dalian is located about 400 kilometers west of Pyongyang, the capital of North Korea.

Special economic zones are showcases of China's economic reform policy, where foreign companies that operate joint ventures with Chinese enterprises enjoy favorable tax treatment and other business incentives.

Japan: MITI Contemplates Common Energy Policy for Asia

OW2003053196 Tokyo EKONOMISUTO in Japanese 26 Mar 96 P 16

[Unattributed article: "Ministry of International Trade and Industry: Can It Take the Initiative in Establishing a Common Energy Policy for Asia?"]

[FBIS Translated Text] The Agency of Natural Resources and Energy of the Ministry of International Trade and Industry [MITI] is secretly working out measures to deal with the approaching "tight supply of petroleum in the Asian region." One such measure was the opening of the office of the New Energy Development Organization [NEDO] in Beijing and Takeshi Nakai, former chief of the Energy Policy Planning Division, was appointed the first office manager of NEDO in the middle of February.

ASEAN countries and the coastal areas of China have continued to make miraculous economic development, contributing to a spiral of increase in petroleum consumption. It is feared that the balance in petroleum demand and supply in the Asian region will crumble in the near future.

In particular, China has become a genuine petroleum importing country since 1993 and reached out for crude oil imports from Indonesia, foretelling future competition between Japan and China with regard to crude oil imports. Meanwhile, Asian countries have become increasingly dependent on crude oil from the Middle East and the situation will turn serious if something wrong takes place in the Middle East.

Therefore, the MITI's Agency for Natural Resources and Energy is reported to be planning to provide the Asian region with funds and technical cooperation in the development of petroleum resources, to firmly establish a system of reserve storage and to work out a common energy policy by bringing Asian countries together for coordination.

The newly established NEDO's Beijing office, in order to explore a possible common energy policy between Japan and China primarily and to carry on exchanges of information for, firstly, cooperation in the development of petroleum resources in the continent of China; secondly, cooperation in the development of substitute energy; and thirdly, materialization of transcontinental pipeline connecting Europe and Russia's inland areas.

Problems, however, are whether these nations would come to terms with a Japanese-led "common energy policy." There is a delicate territorial issue of Takeshima [called Tokto in the ROK] with the Republic of Korea. There is also a possibility of rekindling a controversy with China on the problem of the Senkaku Islands when development of petroleum resources are brought up.

Japan: Details on Decline in Trade Surplus

OW1803025296 Tokyo KYODO in English
0209 GMT 18 Mar 96

[FBIS Transcribed Text] Tokyo, March 18 KYODO — Japan's merchandise trade surplus in February shrank 45.8 percent for the eighth consecutive decline from year-earlier levels, as exports fell while imports remained strong, the Finance Ministry reported Monday [18 March].

The trade surplus totaled $6,127 million in the reporting month on a customs-cleared basis, the ministry said in a preliminary report.

The nation's trade surplus with the United States dropped 28.9 percent to $3,444 million for the ninth consecutive month of decline.

"Japan's trade surplus is on a downward trend," a ministry official said. Imports have been outgrowing exports for more than two and a half years, he noted.

"The surplus is likely to fall further in line with progress in the reform of Japan's economic structure," he added.

February exports totaled $34,079 million, down 3.3 percent from February 1995 and the first drop in 36 months, the ministry said.

Auto exports continued to flag, falling 12.3 percent from a year earlier, while exports of semiconductors and other electronic parts gained 19.4 percent.

Imports, meanwhile, chalked up the 36th straight month of growth to $27,952 million, up 16.8 percent.

Imports of microchips and other electronic parts surged 68.8 percent, while office equipment imports gained 59.2 percent. Imports of clothes and accessories grew 36.3 percent.

Finished goods accounted for 60.1 percent of total imports, nearing the record 61.6 percent set in November 1995.

In trade with the U.S., Japan's exports in February fell 5.0 percent from a year earlier to $9,628 million for the sixth straight month of contraction. Exports of electronic devices rose 23.7 percent, while auto exports slid 19.8 percent.

Imports grew 16.9 percent to $6,184 million, gaining for the 36th month in a row. Imports of optical equipment rose 59.3 percent, those of office equipment climbed 52.1 percent and imports of electronic devices gained 50.8 percent, the ministry said.

Japan's trade surplus with other Asian countries dropped 39.8 percent from February 1995 to $3,868 million for the second straight month of decline.

Exports to Asian nations dipped 1.6 percent to $14,274 million for the first decline in 69 months as exports of video equipment fell 43.1 percent, reflecting Japanese companies' moves to shift production offshore, the ministry said.

Imports rose for the 36th straight month to $10,406 million, up 29.0 percent. Electronic device imports soared 90.5 percent. Imports of office equipment and clothes also grew.

The trade deficit with China jumped 124.2 percent to $1,680 million, while the combined trade surplus with Hong Kong, Taiwan and other newly industrializing economies fell 23.7 percent to $4,664 million, the ministry said.

The trade surplus with the European Union fell to $1,823 million, down 8.9 percent for the second straight month of decline.

Exports to the EU climbed 1.8 percent to $5,622 million for the 13th straight gain, while imports totaled $3.8 billion, up 7.8 percent for the 26th consecutive rise.

Economists say the downtrend in Japan's trade surplus will continue, though the pace may decelerate.

"The trade surplus is likely to decrease quickly on a dollar basis toward the summer if the U.S. currency continues trading at around 105 to 106 yen," said Tetsuro Sawano, an economist at Nikko Research Center, a Nikko Securities Co. affiliate.

"The dollar will then be trading some 20 to 30 percent above year-earlier levels, which will make the dollar-based prices of Japanese exports appear cheaper than a year earlier," Sawano said.

But the pace of surplus contraction is likely to slow down toward the end of the year if the dollar-yen rate remains more or less unchanged, because the dollar started rebounding against the yen in the summer of 1995, he said.

The trade surplus, however, will remain on a downward path in the long term, Sawano said.

"Imports are relatively strong despite the yen's slide against the dollar," he said. "They are likely to continue increasing, though the growth might become milder, because they will gain momentum as the economy comes back on its feet."

Japan: GDP Below 1 Percent for 'Third Straight Year'

*OW1903141296 Tokyo KYODO in English
0921 GMT 19 Mar 96*

[FBIS Transcribed Text] Tokyo, March 19 KYODO — **Japan's economic growth remained below 1 percent for the third straight year in 1995, amid the yen's rise against the dollar and weak housing investment, but momentum toward recovery has been growing gradually, a government report showed Tuesday** [19 March].

Japan's real, or inflation-adjusted, gross domestic product (GDP) grew a small 0.9 percent in 1995, the Economic Planning Agency (EPA) said in a preliminary report.

The 1995 growth, however, is higher than a 0.6 percent rise in 1994 and a 0.1 percent increase in 1993.

EPA Vice Minister Makoto Kobayashi said, "the 0.9 percent growth is not strong, compared with Japan's past growth paces."

"The economy, however, has been gradually showing improvement," he said.

GDP measures the total output of goods and services, excluding net income from abroad.

For the October-December quarter of 1995, Japan's real GDP posted a 0.9 percent increase over the preceding three-month period after seasonal adjustment, the report said.

On an annualized basis, real GDP for the October-December period grew 3.6 percent and totaled 463,091.1 billion yen, it said.

Kobayashi said, "given the October-December figure, it is highly likely that Japan will attain the government's real GDP growth target of 1.2 percent (for fiscal 1995)."

Even if economic growth in the January-March quarter stays flat, Japan can meet the growth target for fiscal 1995, which ends March 31, according to the EPA.

EPA officials attributed the 0.9 percent GDP increase in the October-December period to high growth in public and housing investment under a series of pump-priming measures adopted by the government.

In the October-December quarter, public investment rose 6.9 percent from the previous quarter and housing investment also advanced 7.2 percent, they said.

The officials also said there is a trend toward recovery in private consumption and corporate capital spending.

Personal consumption grew 0.4 percent, aided by favorable sales of personal computers and automobiles, while capital outlays increased 1.4 percent for the fourth consecutive quarterly rise, they said.

Kobayashi said, "the groundwork for domestic demand-led recovery is being laid."

Of the 0.9 percent growth for all of 1995, domestic demand accounted for an increase of 1.6 percentage points, while overseas demand was down 0.7 point, the EPA said.

For the October-December quarter, domestic demand contributed to an increase of 1.5 points in GDP but overseas demand led to a reduction of 0.6 points, it said.

The negative impact from overseas demand means Japan's imports have been surpassing its exports.

Kobayashi said, "there has been a structural change in Japan's trading behavior partly because of Japanese companies shifting production footholds abroad."

Private economists said the 0.9 percent growth for the October-December quarter was larger than initially anticipated.

They cautioned, however, against optimism on a future course, saying economic growth could slow down if the economy-boosting effects of the government's pump-priming measures lose steam.

Masaru Takagi, chief economist at Fuji Research Institute, said, "the latest GDP report underscored that the economy is on a recovery path, led by domestic demand."

Corporate capital outlays, housing spending and public investment advanced thanks to the Bank of Japan's easy monetary policy and the government's economy-boosting measures, he said.

Takagi, however, cited a negative impact from overseas demand and continued price falls as uncertain factors.

According to the EPA report, the GDP deflator, the key inflation gauge, fell 0.5 percent in 1995 from the previous year, and also dropped 0.5 percent in the October-December period from the preceding quarter.

Tetsuro Sawano, economist at the Nikko Research Center, also said, "uncertainty will remain in the second half of fiscal 1996 as corporate capital spending and housing investment are expected to show slower growth."

Japan: Panel Issues Proposals for Improving Market Access

OW1803145296 Tokyo KYODO in English 1059 GMT 18 Mar 96

[FBIS Transcribed Text] Tokyo, March 18 KYODO — - A panel of private-sector intellectuals filed a report with the government Monday [18 March] that makes 19 proposals for lowering regulatory barriers which impede foreign access to the Japanese market, government officials said.

In the report, the Market Access Ombudsman Council urged the government to classify vitamin tablets and other dietary supplements as food items rather than pharmaceuticals.

The American Chamber of Commerce in Japan has been complaining that some dietary supplements which are considered abroad as food are counted as pharmaceuticals in Japan since their contents and shapes fall in the category of drugs under Japanese regulations.

The council called for providing dietary supplements with a clear legal status as nonpharmaceuticals.

Meanwhile, the panel asked the Central Employment Security Council, an advisory panel to the labor minister, to consider radically deregulating temporary staff services, a request made by the French embassy in Tokyo.

The council also demanded that private-sector placement agencies be allowed to mediate as broad a range of jobs as possible. Such agencies are now allowed to do so only for 29 types of specialty jobs, including interpreters.

Other proposals in the report include facilitating the import of campers and easing regulations on imported housing materials.

Japan: Hashimoto Urged To Liberalize Employment Services

OW1803080296 Tokyo KYODO in English 0654 GMT 18 Mar 96

[FBIS Transcribed Text] Tokyo, March 18 KYODO — Business lobby groups called for Prime Minister Ryutaro Hashimoto on Monday [18 March] to promise liberalization of temporary staff services and private-sector placement services in a revised government deregulation package.

Representatives of the groups, including Masaya Miyoshi, director general of the Japan Federation of Economic Organizations (Keidanren)'s secretariat, filed the request when they visited Hashimoto in parliament.

Hashimoto told the representatives he understood their request.

Employment services in Japan are tightly regulated, with private-sector placement agencies only allowed to mediate 29 types of specialist positions.

The administrative reform committee, a government panel overseeing progress in the government's deregulatory efforts, urged liberalization of the industry in its deregulation report compiled in December.

The labor ministry, however, appears reluctant to carry out the liberalization efforts, saying it will ask the Central Employment Security Council, an advisory panel to the ministry, to discuss the matter.

The government produced a deregulation package covering more than 1,000 items last March. It has been reviewing the plan in response to requests filed by foreign governments and domestic business circles.

The Hashimoto cabinet will endorse a revised package later this month.

Tokyo Stock Exchange Chief Welcomes Deregulation Plan

OW1903143796 Tokyo KYODO in English 0850 GMT 19 Mar 96

[FBIS Transcribed Text] Tokyo, March 19 KYODO — The head of the Tokyo Stock Exchange (TSE) on Tuesday [19 March] welcomed the Finance Ministry's plan to lift restrictions on new share issues to the public at market prices starting in fiscal 1996 starting April 1.

Mitsuhide Yamaguchi said new share issuers should increase the disclosure of information and pay more heed to market conditions.

With regard to the stalled Diet deliberations on the fiscal 1996 budget, Yamaguchi said the chaos should be ended promptly as stock market participants have become extremely sensitive to it, along with developments on Wall Street.

The exchange is expected to post a surplus of 3.5 billion yen in its business results in fiscal 1995 through March 31, Yamaguchi added.

Japan: Keidanren Urges Corporate Tax Cut

OW1903143696 Tokyo KYODO in English 0948 GMT 19 Mar 96

[FBIS Transcribed Text] Tokyo, March 19 KYODO — An influential business group issued a report Tuesday [19 March] urging a corporate tax cut as a step to make Japan a "vigorous economic society toward the 21st century."

The Federation of Economic Organizations (Keidanren) said the effective corporate tax should be lowered to 40 percent from the current 50 percent because the high rate by international standards has forced Japanese companies to shift operations to other countries and added fuel to the worsening unemployment situation in Japan.

The so-called effective corporate tax is the total of corporate taxes combined with local taxes such as enterprise and prefectural inhabitant taxes.

Saying that Japan's taxation system should be corrected because of its excessive reliance on direct taxes, Keidanren suggested that a rise in the consumption tax rate to more than 5 percent from the current 3 percent would be acceptable.

Keidanren also called for the introduction of a consolidated system to calculate tax amounts based on combined profits of parent companies and their wholly owned subsidiaries.

Analysts said Keidanren wants such a system in anticipation of the removal of a ban on the establishment of holding companies.

Japan: Production Shift Overseas 'Serious Threat' to Employment

OW1803075296 Tokyo KYODO in English 0645 GMT 18 Mar 96

[FBIS Transcribed Text] Tokyo, March 18 KYODO — - An accelerating production shift overseas by Japanese manufacturers has become a serious threat to employment in Japan.

Electrical giant Matsushita Electric Industrial Co. Is an example of the trend. In 1995 alone it established 13 overseas subsidiaries — 10 of them in China — and is planning to hire a total of nearly 4,000 workers locally.

According to the Electronic Industries Association of Japan, the number of overseas subsidiaries set up by Japanese electrical manufacturers stood at 1,062 as of the end of December 1995.

Japanese companies began shifting production facilities abroad in the mid-1980s, when the yen was rapidly rising against the dollar, and the trend has accelerated since the spring of 1995, with the yen hitting record highs against the U.S. currency.

The move by the manufacturers is intended to maintain their competitive edge in the international market by hiring overseas workers at relatively low wages to offset erosion of their profits due to the strong yen.

Some makers have moved a production bases from one country to another in search of lower costs.

During the aggressive output expansion overseas, companies have cut production at home and reduced their domestic workforce by various means, including curbing new hiring of school graduates.

The Japanese job market was already deteriorating since the era of slack growth set in following the burst of the economic bubble in the early 1990s.

According to official government statistics, Japan's unemployment rate in recent months has stayed at a postwar high of 3.4 percent.

Although the rate is relatively low compared with other industrialized countries, which calculate their unemployment rates on a different basis, economists say the situation will worsen in the near future as corporations are poised to continue offering fewer jobs and shift more production overseas.

Hitachi Ltd., Mitsubishi Electric Corp. and Victor Co. of Japan (JVC) as well as Matsushita, have announced they will continue to hold down new hiring this spring as they did the previous year.

Chuhei Yamamoto, a director of JVC, said the company cannot increase employment at home at present when it is facing tough international competition.

Economists predict the loss of domestic jobs will also hit the auto industry, where five Japanese automakers last year announced plans to increase their output in north America.

The automakers' combined production in North America is expected to increase about 25 percent by the target year 1998 from the 1994 level.

The Nikko Research Center, a think tank affiliated with Nikko Securities Co., estimates that Japan's domestic automobile output will decline to as low as 8.95 million by the year 2000 from 10.20 million in 1995.

"Automakers will reorganize their production bases at home, and it will deal a considerable blow to domestic production," predicted an analyst with the think tank.

There is speculation that if deregulation by the Japanese government is carried out faster than the speed of structural adjustment by industries, the nation's jobless rate will shoot up to 7.7 percent by the year 2000.

A researcher at the sakura institute of research asks what those companies aggressively moving production overseas will do when the yen falls sharply against the dollar.

"Corporations have a responsibility to keep at least development and production of advanced products at home partly to help maintain employment," he said.

Japan: Defense Intelligence HQ Plan, Security Course Set

OW2003075196 Tokyo WING in Japanese 14 Feb 96 p 1

[Unattributed article: "Defense Agency: Law Amendment Proposed To Build Intelligence Headquarters [HQ]; 386 Air Self-Defense Force Personnel To Shift There in FY96; New National Defense Academy Comprehensive Security Research Seminar"]

[FBIS Translated Text] The Defense Agency will establish its new Defense Intelligence Headquarters in FY1996. On 9 February 1996, at a Cabinet meeting the government decided to propose a partial revision of the Law for the Establishment of the Defense Agency, required before the new unit can be organized. It will be presented as a bill in the regular session of the Diet. This proposed revision of the statute will also authorize the start of a new social science course at the National Defense Academy titled "Comprehensive Security Research Seminar."

Establishment of Defense Intelligence Headquarters (Objectives)

In order to be handle with precision the international situation after the Cold War, the establishment of a system that able to conduct in a comprehensive manner sophisticated intelligence collection and analysis is indispensable. On the other hand, since at present various intelligence organizations within the Defense Agency—including the internal bureaus, the staff office of each self-defense force, the Joint Staff Council [JSC], and elsewhere— are conducting their own intelligence activities, the intelligence handling and analyzing capabilities for the Agency as a whole are inadequate. Moreover, as each organization is small in scale, keeping highly capable intelligence experts has been difficult. Consequently, the Defense Agency will establish a new "Defense Intelligence Headquarters" as an organization under the JSC that among other things will collect intelligence for the Defense Agency as a whole and perform Joint Staff Council duties related to intelligence collection. At the same time, the Defense Agency as a whole is seeking to its intelligence organizations, thereby making the intelligence functions of the Agency as a whole more complete and efficient. The changes related to the "Defense Intelligence Headquarters" regarding the FY1996 defense budget and operational plans are described below.

The reorganization will result in the abolition of the JSC's Office of the J-2 as well as the 2d Intelligence Division Annex [Chobetsu] of the Ground Staff Office. The 1st Defense Intelligence Division and 2nd Defense Intelligence Division of the Bureau of Defense Policy and each self-defense force staff office will be combined into a "Defense Intelligence Division." Moreover, intelligence units in each self-defense force will be reduced in size and the chains of command modified.

With these changes, 28 personnel from Internal Bureau; 766 from the Ground Self-Defense Force [GSDF]; 369 from the Maritime Self-Defense Force [MSDF]; and 386 from the Air Self-Defense Force [ASDF] will be reassigned to the JSC. With the addition of 16 added personnel, the fixed number of personnel in the JSC will rise from the current 204 to 1,769. Unit reorganizations will also take place. In the MSDF, there will be a newly formed intelligence group (directly under the chief of staff) that pulls together the tactical intelligence units. The ASDF will abolish the air intelligence units (directly under the chief of staff) and create new intelligence units (directly under the Air Defense Command). The Defense Intelligence Headquarters has been organized by order of the Prime Minister's Office [PMO] but established on a par with the Joint Staff College as an attached organization of the JSC. The Defense Intelligence Headquarters commander will be a uniformed Self-Defense officer of general officer rank. The plan is for the deputy commander position to be one for a civilian defense official.

Establishment of Comprehensive Security Research Seminar (Objectives)

In response to the increasing diversification and internationalization of the duties of the Self-Defense Forces [SDF], this seminar is being established to have staff SDF officers and others acquire sophisticated research capabilities and other skills to help them perform their duties. The course at the National Defense Academy, titled Comprehensive Security Research Seminar (offered within the master of science program of the Graduate School) will be unlike any offered at regular universities. (Note: this course is already classified as a social sciences major).

Summary of the Proposed Legislation

(1) Establishment of Defense Intelligence Headquarters (related to Article 28, Section 2)

1. The Defense Intelligence Headquarters will be established under the JSC.

2. The Defense Intelligence Headquarters will have responsibility for work assigned by the JSC, to include: activities related to the gathering and analyzing of defense intelligence, activities related to intelligence required for compiling comprehensive defense plans, activities related to intelligence needed as the basis for commands and comprehensive adjustments when the SDF are deployed, and other such duties.

3. The Defense Intelligence Headquarters will have a commander who will be a uniformed SDF officer.

4. The internal organization of the Defense Intelligence Headquarters will be determined by order of the PMO.

(2) Changes in Number of SDF Officials (Article 8)

In order to maintain adequate staffing for the Defense Intelligence Headquarters, changes will be made in staffing of units by SDF officials, with members of the GSDF, MSDF, and ASDF being reassigned to the JSC, etc.

(3) Changes in Course Content at National Defense Academy

In relation to Article 17, Section 3, SDF officers who have received educational training in the main program of the National Defense Academy or other officers as may be designated will receive educational training that provides them with the research capabilities to acquire the sophisticated theoretical knowledge regarding social studies as well as practical knowledge in this area required for them to execute their duties as SDF officers.

Japan: DA Produces Prototype OHX Observation Helicopter

OW1903044896 Tokyo NIHON KEIZAI SHIMBUN in Japanese 16 Mar 96 Morning Edition p 9

[FBIS Translated Text] On 15 March, the Defense Agency [DA] celebrated the completion of work to assemble the prototype of a new small observation helicopter (dubbed OHX). The ceremony was held at Kawasaki Heavy Industries' Gifu Plant (in Kakamigahara, Gifu Prefecture). Kawasaki is a main contractor for the development of OHX, the first Japanese-made helicopter, which is expected to replace the Ground Self-Defense Force's "OH6" observation helicopter. The OHX's rotor is made of composite material, which has contributed to enhancing the craft's performance. The new helicopter is also equipped with an air picketing device composed of an infrared ray sensor and a laser range finder. The DA plans to conduct the first test flight this summer and begin mass-producing the craft in FY97.

Japan: Hashimoto Refuses To Withdraw 'Jusen' Bailout Scheme

OW1903143896 Tokyo KYODO in English 0849 GMT 19 Mar 96

[FBIS Transcribed Text] Tokyo, March 19 KYODO — Prime Minister Ryutaro Hashimoto on Tuesday [19 March] refused a direct request from opposition leader Ichiro Ozawa to delete from the government-proposed fiscal 1996 budget an outlay for the liquidation of failed housing loan companies.

In their one-on-one meeting, Hashimoto refused a demand from Ozawa, head of the main opposition Shinshinto (New Frontier Party), to withdraw a controversial plan to spend 685 billion yen in taxpayers' money to help liquidate the seven failed mortgage firms known as "jusen," government and party officials said.

However, Hashimoto promised that the ruling coalition will not bulldoze the budget through, as recommended by House of Representatives Speaker Takako Doi.

But Ozawa said his party will not call off its sit-in maneuver in the Diet to block the passage of the budget unless the ruling and opposition camps reach an agreement over the jusen plan.

The two leaders agreed to continue top-level talks, the officials said. The meeting at the Prime Minister's Official Residence was held in a bid to bring Diet business back to normal.

Shinshinto lawmakers have been continuing their round-the-clock sit-in in front of the lower house Budget Committee room since March 4.

Japan: NFP Agrees To Pass Stopgap Budget; Picket Continues

OW1903145196 Tokyo KYODO in English 1145 GMT 19 Mar 96

[FBIS Transcribed Text] Tokyo, March 19 KYODO — The leading opposition party Shinshinto agreed Tuesday [19 March] to speedily pass a 50-day stopgap budget despite its members' prolonged picketing in the Diet against the use of taxpayers' money in the liquidation of failed housing loan companies, the top government spokesman said.

However, Shinshinto (New Frontier Party [NFP]) refused to end a 16-day blockade of a Diet budget panel room, Chief Cabinet Secretary Seiroku Kajiyama said.

The stopgap budget, which has yet to be written, is needed to cover government spending in the first 50 days of fiscal 1996 starting April 1, in the absence of a full budget.

Shinshinto has opposed the passage of the government's full-fledged 75.1 billion yen budget because it contains 685 billion yen in taxpayers' money to help liquidate the seven mortgage lenders known as "jusen."

Prime Minister Ryutaro Hashimoto, who is president of the Liberal Democratic Party (LDP), the largest component of the ruling coalition, and Shinshinto leader Ichiro Ozawa reached the agreement on the stopgap measure, in a 90-minute meeting in the afternoon.

Hashimoto and Ozawa agreed that the Diet should pass the interim budget, as well as pension-related and several other outstanding bills, by the March 31 end of the current fiscal year. The government is expected to submit the stopgap budget to the Diet next Tuesday.

The pension and other bills should also be dealt with by March 31 because they are indispensable for people's lives, Kajiyama told a press conference.

The ruling and opposition leaders, however, failed to break the half-month Diet stalemate over the full budget.

Ozawa reiterated Shinshinto's demand that the 685 billion yen expenditure be removed from the budget, while Hashimoto flatly rejected the demand, Kajiyama said.

After the meeting with the prime minister, Ozawa told reporters that his party cannot lift the budget panel room barricade because the liquidation provision is being kept intact and his party has not received any satisfactory explanation over the ruling camp's unilateral fixing of March 4 as the budget voting day.

Asked if he means the lower house budget panel should discuss the stopgap budget in another room, Ozawa said such details would be discussed by Diet affairs chiefs among ruling and opposition camps.

The top-level gathering was abruptly arranged earlier in the day with LDP Diet affairs chief Kanezo Muraoka making an overture for such a meeting to his Shinshinto counterpart Takeo Nishioka, LDP and Shinshinto officials said.

Shortly before the meeting, Yukio Hatoyama, chief secretary of the smallest coalition component, New Party Sakigake [Harbinger], told a press conference he feels a bit "strange" about the sudden bilateral meeting.

The Hashimoto-Ozawa meeting may be a sign of resurrected backroom politics, Hatoyama said. The ruling coalition is made up of the LDP, New Party Sakigake and the Social Democratic Party.

On Monday, Kajiyama ruled out a meeting between Hashimoto and Ozawa, indicating that the blockade must be stopped before any action is taken and that normalization of Diet business is up to the lower house speaker, Takako Doi.

Doi has the legal authority to order Diet guards to use force to remove Shinshinto lawmakers involved in the blockade, but she has yet to do so.

Shinshinto has refused Doi's repeated instructions to end the blockade.

Shinshinto is also demanding Diet testimony by LDP Secretary General Koichi Kato about his alleged receipt of a 10 million yen donation from Kyowa Co., a now defunct steel-frame maker and borrower from one of the seven failed mortgage companies. Kato has denied taking the money.

Japan: Diet Subcommittees Seen as 'Breath of Fresh Air'

OW2003121096 Tokyo EKONOMISUTO in Japanese 26 Mar 96 p 18

[Article by Katsunobu Shiihashi of the MAINICHI SHIMBUN's Public Opinion-Election Center: "Will

The Diet Recover Its Authority? The Establishment of Subcommittees Is a Breath of Fresh Air"]

[FBIS Translation Text] I have noticed from the results of recent public opinion polls that the voters' mistrust of politics has gone beyond a simple mistrust of political parties and politicians; it has reached the question of the representation system itself. I wonder if the jusen problem [the problem of bad real estate loans currently afflicting the banking system and the government] will further accentuate this trend. Although there are many causes of the bad real estate loan problem, the origins of the problem are to be found in the bubble economy; and the political world was closely associated with the bubble economy. Yet, no explanation was forthcoming [as to the cause], and the taxpayers have had to pay for the aftermath without receiving any explanation.

The easiest explanation of the bubble to understand was the analysis by experts that its root cause was the fact that, to help deal with U.S. national finances, Japan held interest rates low against high U.S. interest rates, so that Japanese capital funds could flow easily to the United States." This was a decision by the Japanese Government leadership at that time, and was the policy of the Liberal Democratic Party [LDP].

At that time, the "increasing gap in wealth" was pointed out, and many people thought this was not right, but there was no movement in the Diet to halt the trend. The bureaucrats, the business sector, and the Japanese people were all afflicted with "mass bubble fever" and more or less acquiesced in what happened.

We should not blame the politicians alone for the bad loan problem, but neither should we avoid asking why the Diet could not fulfill its monitoring function.

In particular, to usher in "politics in the 21st century," and "emergence from the 1955 structure," I believe the Diet must have insights of its own and must display a monitoring function, rather than letting the administration have a free hand. What might form the basis for such insights would be routine discussion in daily Diet committee deliberations, within each party's organization, and so on.

It is said "the Diet is a subcontractor for the administration." In reality, the Diet merely handles matters the Government submits to it. For instance, when the incident involving the rape of a schoolgirl by U.S. soldiers in Okinawa became a major issue, it was suddenly taken up for discussion. It was not the case, though, that they had been routinely deliberating Japanese security issues.

If the Diet's Government Committee members were to discuss foreign relations, security, and fiscal issues with each government ministry and agency, they could deliberate in greater depth from different angles. For that to happen, the government bureaucracy needs to be more forthcoming with information to the public. There have been cases when they have refused to supply information, even when secrecy was not required, or when they have tried to prevent a committee from having a general deliberation.

At the time of the Diet's deliberations on bad loans, an Asia Pacific subcommittee was established in the upper house foreign relations committee. It is set up so that each political party will routinely discuss relevant issues, compile reports, and make proposals on issues concerning the region, which is making large-scale moves in the areas of security and international economics.

Only once before had the committee established a subcommittee, in April 1952. It has been 44 years since then. The instigator behind the new subcommittee is freshman representative Keizo Takemi. The subcommittee is scheduled soon to hear, at its first meeting, opinions from informed members of the public on China-Taiwan tension. Stimulated by this, moves are being made to set up a subcommittee of the Education Committee to deal with the bullying issue and a subcommittee of the Welfare Committee to consider the AIDS issue. It is a rather ordinary and modest move to discuss important issues in the Diet, but I feel that it is a breath of fresh air that the Diet is reviving.

The bad loan problem began about five years ago. I am not aware the Diet has fully discussed the issue at any time during this time. The fact that Tomiichi Murayama, who resigned as prime minister, said without embarrassment: "I never thought it would become such a big issue," is a manifestation of the fact that Japanese politics has been hopeless.

Japan: Chief Editor Analyzes Postwar Diplomacy

962B0039A Tokyo GAIKO FORUM in Japanese Dec 95 pp 50-59

["Special Feature" by Yoichiro Ichioka, chief editor of NIHON KEIZAI SHIMBUN, under the rubric "General Accounting of Postwar Diplomatic History": "From Reconciliation Diplomacy to Conceptual Diplomacy — Postwar Diplomacy as Seen by a Journalist"]

[FBIS Translated Text] It was reconciliation diplomacy centering on bureaucrats of the Ministry of Foreign Affairs (MOFA), Ministry of Finance (MOF), and Ministry of International Trade and Industry (MITI) that set the tone for postwar diplomacy. In the future, however, a conceptual diplomacy having originality should be added. This is the suggestion of a journalist who has come to look hard at postwar diplomacy.

To an Era of Economic Diplomacy After a Return to International Society

It was about 40 years ago in 1956 that the Economic White Paper was entitled "No Longer Postwar." Regarding diplomacy, however, the aftereffects of the defeat in the war have dragged on for some time and even now it is often felt to be "postwar." Rather than foreign diplomacy, it probably should be called the foreign perceptions of the people.

The first aftereffect of the defeat in the war has been the small-nation consciousness. The existence of Japan does not matter. It is a consciousness resembling resignation that even if we try to speak and act big, it only ends up being ineffective. Aggressive action abroad must be inaugurated. Once inaugurated, a consciousness that it certainly will result in taking "the path where it will come one day" will be added to this.

There also is the consciousness that a Japan with its own world view is presumptuous. This is because wretched memories remain due to advocating "a happy land with righteous rule and concord of the five families," "the greater East Asia Co-Prosperity Sphere," and "universal brotherhood." This consciousness is especially pronounced in journalism because there is the painful remembrance of having cooperated with the military during the war and inciting public opinion. Moreover, the Socialist Democratic Party of Japan (SDPJ), which had been the opposition party, has often stimulated this consciousness that remains rooted among the people by taking a distinct anti-Liberal Democratic Party (LDP) course. A cautious view concerning aggressive action abroad has smoldered constantly in the LDP, not to mention the Japan Communist Party (JCP).

Diplomacy is said to be an extension of domestic administration. Foreign policy cannot be developed markedly divorced from the people's consciousness. It has been a Japan whose face could not be seen or who has come to speak ambiguously, but haven't we actually come to act so we do not show our face? It is a form in which Japan has opted to take what there is to take quietly without being conspicuous or intrusive.

Many people point out that the departure point for postwar diplomacy was the decision on a majority peace by Prime Minister Shigeru Yoshida. It was a tumultuous act which invited a big debate within the nation on an "overall peace" that included the Soviet Union and China or a "majority peace," which excluded both. Yoshida called scholars who advocated "overall peace" "prostitutes of learning." However, considering that the occupation army (essentially the U.S. military) in the nation of Japan at that time had overwhelming power, the disturbance in Korea had occurred, and the large army of China had intervened, it probably can be said that Yoshida made a very proper decision. At that point in time, it would have been well-nigh difficult nor was it realistic to make a choice other than that.

Rather, what especially should be mentioned about Yoshida's decision is that he refused the demand by Secretary of State Dulles for Japan to rearm 325,000 men on the grounds that 1) there were the restrictions of the new Constitution, 2) restoration of the economy should be the greatest priority, 3) the various nations of Asia would be concerned if they rearmed, and 4) there were strong antiwar feelings among the people. Japan instead proposed the conclusion of peace plus the U.S.-Japan Security Treaty.

The course of light armament and economic emphasis was set in this way. It should be said that this decision greatly contributed to the amazing development of the postwar Japanese economy and it should be highly praised, but on the other hand, it gave birth to an economic-centered doctrine that it is good so long as it is good for the economy and generated a kind of thought sabotage situation where difficult problems other than economic ones would all be left to Washington.

The people developed allergic symptoms to the word nation, aspired to the American way of life vividly depicted in the ASAHI SHIMBUN cartoon "Blondie," and fervently pursued material wealth. The evaporation of energy just for that could not be helped.

An economy is essentially without nationality. Goods and money spread across national borders. If the quality is good and price is cheap, it will sell regardless of national borders. Japanese products have inundated every place in the world and groups of Japanese travelers, who do not speak a foreign language, go around shopping for brand items letting the purchase power of the yen do the talking. However, Japanese do not try to speak or act on various world problems. Not knowing what they are thinking, Japanese certainly look ominous.

Yet, this was the fate decided at the time when Japan chose an economic-centered doctrine.

International reinstatement was an issue in the first phase of postwar Japanese diplomacy. Japan, which had attained a majority peace due to Yoshida, concluded the state of war with the Soviet Union in the "Japan-Soviet Union Joint Proclamation." The visit to the Soviet Union by Prime Minister Ichiro Hatoyama in 1956 opened the way for participation in the United Nations. The Soviet Union no longer used its veto. In 1965, we normalized diplomatic relations with the neighboring nation of South Korea. The return of Okinawa to the mainland finally was accomplished in 1972.

In the 1960's, Japan was reinstated economically in the society of Western Europe. Having risen from the devastation of defeat in the war, the Japanese economy rapidly increased imports and exports in this era and recorded a trade surplus for the first time after the war in 1965. It had extricated itself from the cycle of international balance of payments deficit — tight money — recession.

The year before that, the Japanese export liberalization rate had reached 93 percent and backed by an improvement in actual economic power, we were promoted in status to the eight signatories of the IMF (International Monetary Fund). Then, we also became a member of the OECD (Organization for Economic Cooperation and Development) and embarked on liberalization of capital. It was an era of spectacular economic diplomacy.

New Issue of Correcting Imbalance

In the first half of the 1970's, Japanese diplomacy completed the process of reinstatement in international society and entered a new phase. It was the two Nixon shocks in the summer of 1971 that formed that epoch.

The first shock was the sudden announcement of President Nixon's visit to China. At the time, the U.S.-China handshake had been forecasted to a certain extent by MOFA sources and it had been said that "the greatest nightmare of the Japanese ambassador in Washington was that one morning he would wake up and be informed that the United States and China were shaking hands." Because Japan had not been able to restore diplomatic relations with China before the United States, this shock was bound to visit sooner or later. It should be called an "expected shock" so to speak. The visit to China by Nixon became the first step for the United States in changing to a position where they did not necessarily adhere to ideology. Replacing ideology was power politics emphasizing national interest. The termination of the Vietnam War also was in the same context.

One year behind Nixon's visit to China, Japan restored diplomatic relations with China under Prime Minister Kakuei Tanaka with the understanding of the United States. There are some things remaining as items for postwar disposition such as the issue of the Northern Territories with Russia and the nonrestoration of diplomatic relations with the Democratic People's Republic of Korea (North Korea), but in the sense of normalization of foreign relations that were destroyed by World War II, this restoration of Sino-Japanese diplomatic relations can be regarded as the accomplishment which by and large put an end to the postwar disposition type of diplomacy.

The second Nixon shock was the termination of gold and dollar convertibility. The United States, which had impoverished its economy with the Vietnam War, was worried about the chronic international balance of payments deficit and the surging gold-dollar conversion demands. The United States came to put a yardstick of "reciprocity" to its trading partners. It was the doctrine of the United States opening its markets in response to the degree of openness of the partner's market and discarded the magnanimity of the unconditional opening of U.S. markets.

These two decisions by Nixon that were handed down right in the middle of the 50 years since the war became the watershed for U.S. foreign policy. They were a shift of emphasis from ideology to national interest and of the central axis to reconstruction of the economy above all else for the sake of national interest. At the same time as the switch in U.S. position, the clamor of economic friction between Japan and the United States became incessant.

If compared to golf, reinstatement in international society for Japan resembled the process of joining a first-class country club. Having achieved membership, the player, Japan, rapidly has improved its skill and has come to make off with the championship cup or prize every time in competition. Naturally, there have been cries to raise our handicap.

The correction of various imbalances became the next new issue in place of reinstatement in international society.

In fields such as textiles, steel, machine tools, televisions, VTR's [video tape recorders], semiconductors, and autos, Japan swallowed voluntary controls on those for the United States one after the other and we have had to proceed with the opening of domestic markets not just for goods, but also for the finance, construction, and distribution industries under the U.S.-Japan Structural Impediment Initiative Talks and U.S.-Japan Comprehensive Economic Talks.

Japan, who also became a summit member, shouldered the role of engine to stimulate domestic demand aggressively for extrication from the world recession and accepted a large raise in the yen at the Plaza Accord in 1985. Everything was to correct the imbalance.

Common to both reinstatement in international society and correction of the imbalances was that the target positions that should be reached had a solid, real existence and could be seen by the eye for both. Speaking again of golf, both the rules and the course are well seen, and you just have to send it flying straight in the distance. It is a game where the equation is clear, so to speak, and how fast we can reach that position has become the issue of diplomacy. Majority peace, the joint Japan-Soviet proclamation, normalization of Japan and South Korea diplomatic relations, the return of Okinawa to the mainland, and the normalization of Japan and China diplomatic relations were all the result of "abnormal relations that had to be rectified" lying before our eyes and adjusting them so that the abnormal approached normal. The economic friction with the United States and Europe and numerous countermeasures such as voluntary controls also were policy to bring the abnormal trade imbalance closer to normal. The raise in the yen also was the same.

Consequently, both the reinstatement in international society and the correction of the imbalance perhaps can be called "reconciliation diplomacy" in the sense that they brought the actual state closer to the form that it should be.

Era of Reconciliation Diplomacy

Reconciliation diplomacy well suits bureaucratic diplomacy. The bureaucracy essentially is conservative and in good terms, realistic. In bad terms, its weak points are that it lacks imagination and believes that it apparently is improbable.

In reconciliation diplomacy where the form that it should be is clear, Japan has garnered success in its own way. Or rather, it should be said that we have achieved an adequate passing mark. Although somewhat exhausted with zero growth for three consecutive years, Japan still is the leading economic superpower in the world and the world's greatest aid nation, and permanent membership on the U.N. Security Council has come to be mentioned. It is proof that a diplomacy has succeeded which has solemnly taken substance without any particular world view and without showing its face.

However, the role which politicians play in the development of reconciliation diplomacy should not be overlooked.

As stated before, majority peace and refusal to rearm were decisions by Yoshida, and Prime Minister Hayato Ikeda kicked the butt of the reluctant bureaucracy and promoted the liberalization of trade and capital. In the return of Okinawa, pushing aside the judgement of the MOFA bureaucrats who viewed that "it will be difficult unless it is a return with nuclear weapons," Prime Minister Eisaku Sato in some way or another persisted in "without nuclear weapons like the mainland." Prime Minister Tanaka's actions in Sino-Japanese normalization were decisions that went beyond the intentions of the MOFA bureaucracy.

However, looking at the overall trend, it has been the MOFA bureaucracy that has come to set the tone of postwar diplomacy. At times, it has been MOF or MITI bureaucrats in the economic field. Many prime ministers and ministers have no more than performed the dance choreographed by these bureaucrats.

While the return to international society and correction of imbalances were reconciliation diplomacy, there is another, different type of diplomacy. It is the type that should be called conceptual diplomacy.

In this case the target positions which other people have decided or have been agreed upon by the public have not been clearly seen by the eye. We must resolve problems without knowing the equation or creating it ourselves depending on the case. We probably must also set the rules.

We discover various problems (or threats), determine reality, and find methods for resolution. Formation of our own world view, so to speak, becomes the premise.

The "Greater East Asia Co-Prosperity Sphere" and "universal brotherhood" before and during the war were used by Japan as tools to invade the Chinese continent and Southeast Asia. Viewed as a concept, however, they became a kind of world view. Asia has been gasping under the domination of the colonialism of the great powers of Western Europe. Ethnic independence has been crushed and Asian culture was made the slave of West European culture. Along with liberating them, we would build up an area of co-existence and co-prosperity with the cooperation of the various peoples.

Reconciliation diplomacy is like a computer game which is already determined by the software, so to speak, and you should respond according to the equation. Since there is no individual world view to which we should adhere, we can deal with reality flexibly.

Instead, however, we constantly cannot not help following behind reality. Comments first disclosed by MOFA bureaucrats at the Press Club on several important aspects of diplomacy were "there has been no change in the basic situation." They would be distressed if there were "a change in the situation." Moreover, if there were a person forecasting an apparently improbable situation, they would respond that "it is meaningless to forecast an unrealistic situation."

Reconciliation diplomacy was effective in an era when there was a division of East and West camps like in the postwar world and the state of the economic order clearly was according to the United States and Europe.

In an uncertain era where it is vague who your enemy or ally is and depending on the time or case, allies become enemies and enemies become allies, it is a predicament when you just are flustered at the occurrence of situations which reveal limitations and frighten you out of your wits. Moreover, regardless of whether or not the existence of your country is liked or not, if it becomes large enough so that it inevitably affects others, reconciliation diplomacy stagnates the situation and results in delayed resolution of the problem. Play will not begin because you, one of the lead players in the game, will not move.

At the same time, if reconciliation diplomacy is continued, there also are cases where criticism from abroad will tie one's own hands and feet, as seen with irresponsible nations that do not do what they should do or cunning nations who do not reveal their real intentions.

We must not become prisoners of our own deeds by adhering to our own world view, but if we stand on the premise of constantly verifying reality and not neglecting efforts to make minor adjustments, we probably also should develop conceptual diplomacy at times.

Conceptual Diplomacy Developed by Japan

Looking back over the 50 years since the war, it does not mean that there was no conceptual diplomacy at all. Let's cite some specific examples of conceptual diplomacy.

First, the beginning was the speech by Prime Minister Takeo Fukuda when he visited Manila in August 1977. Afterwards, it was called the "Fukuda doctrine" in which Fukuda extolled three points.

1. Japan absolutely would not become a military superpower. It would cooperate in the peace and prosperity of Southeast Asia and the world in turn.

2. It would be a true friend not just in politics and economics, but in a broad scope of fields such as society and culture.

3. As "an equal cooperator," it would cooperate aggressively in independent efforts on the solidarity and strengthening of ASEAN (Association of South-East Asian Nations). It would strive to bring about relationships based on mutual understanding with the various nations of Indochina.

There still are suspicions in Southeast Asia that Japan may become a military superpower, but at the time it was without parallel. Fukuda tried to clear up those doubts and from then, Japan's ODA (Official Development Assistance) to Asia accelerated.

The "Fukuda Doctrine" became more well known in Asia than in Japan. In so far as the fire of anti-Japanese demonstrations had been fanned in various places on the occasion of Prime Minister Tanaka's visit to Asia three years before Fukuda visited, the various Asian nations welcomed Fukuda's speech.

After Fukuda, Prime Minister Masayoshi Ohira announced the "Pacific Rim solidarity concept" in Melbourne in January 1980. This was a concept that he had proposed ever since he had been appointed prime minister and was based on the perception that the Asia-Pacific region would become one regional society historically for the first time by the advancement of transportation and communications. He advocated new regional cooperation in the Pacific and the creation of a new civilization premised on the diversity of this region.

The "Pacific Rim solidarity concept" became the yeast for APEC (Asia-Pacific Economic Cooperation Conference) that was inaugurated in 1989. Considering the importance of APEC today, the foresight of Ohira probably should be highly valued.

Helping to create this concept as the brains for Ohira was Saburo Onoki [?] (foreign minister in the Ohira cabinet). The existence of Onoki naturally was known in Japan, but his notoriety was greater by far in foreign countries.

Whether the "Fukuda Doctrine," the "Pacific Rim solidarity concept," or the role of Onoki, the reason that they did not receive that much praise within Japan was the result of media cynicism. The position of the media that it was more stylish and safer to be cynical ignored at times the bud of Japanese possibilities in foreign activities. The responsibility for that is great.

Ohira also created the new concept of "comprehensive security." In 1979, he inaugurated a research group with Masamichi Iki, chairman (at the time) of the Peace and Security Research Institute, and put together the following summary report:

1. Security in the narrow sense. Strengthen the U.S.-Japan security structure in military aspects and discharge international responsibility having achieved existence in the top 10 (at the time) of the world in GNP (gross national product). Along with strengthening defense power and being prepared for the Soviet threat, on the other hand, make an effort that should deepen exchanges.

2. Energy security. Over the long-term, develop new energies and substitute energies, cooperate in the industrialization of oil-producing countries, undertake oil exploitation on the neighboring continental shelf, and

promotion of the use of nuclear energy. As immediate problems, endeavor to expand emergency stores in preparation for an unexpected energy crisis and to ensure the effectiveness of the IEA (International Energy Agency) emergency accommodation system.

3. Food security. Both complete liberalization and the conservatism against it are unrealistic, and while providing for an agricultural base by appropriate agricultural measures, promote cooperation in international aspects. Agricultural cooperation for developing countries. Self-help efforts are necessary from the nation on down to the consumer and emergency stores and curbing wasteful use are desired.

4. Large-scale earthquake countermeasures. Crisis management. Upgrade earthquake prediction capability. Preparation of hypothetical damage scenarios. Introduction of a disaster-prevention viewpoint in urban policies and traffic and communication policies, etc. Strengthen national and local government crisis management capabilities in time of emergencies.

The interesting point in this report is that in addition to the existing security in the military aspect, it sets forth the concept of security in a broad sense including energy, food, and large-scale earthquake countermeasures as crisis management measures. It was a concept true to the nature of Ohira as a policy man.

The foreign policy speech by Foreign Minister Taro Nakayama in January 1991 must be added as the final example of conceptual diplomacy.

Nakayama promoted political understanding within regions and emphasized the necessity of creating trust placed on the premise that debate on the ideal collective security cannot be grasped in the same dimension for Asia and Europe. In addition to that, in July of the same year, Nakayama called for the establishment of a "place for dialogue" to heighten a mutual sense of political security at the ASEAN Expanded Foreign Ministers Conference that was held in Kuala Lumpur. It was a place for deliberations on a high administrative level.

It was reported that this ca'' by Nakayama was ignored by U.S. Secretary of State Baker, but two years later, it was brought to fruition in the form of the establishment of the "ASEAN Regional Forum" at the ASEAN Expanded Foreign Ministers Conference held in Singapore.

Behind the births of the "Fukuda Doctrine," the "Pacific Rim Solidarity" concept by Ohira, and the "ASEAN Regional Forum" of Nakayama proposals is the prosperity of Asia. We are entering the 50th year since the war and the biggest accomplishment during this period is that Asia, criticized for "Asian stagnation," has added power and perhaps even come to be regarded as having a major role in the world of the 21st century.

The concepts advocated by Fukuda, Ohira, Nakayama, and others were indicated in specific action by the dispatch of the Self Defense Forces (SDF) to Cambodia based on the 1992 "International Peace Cooperation Act" (law regarding cooperation in United Nations peacekeeping operations). An election was held under the supervision of UNTAC (UN Transitional Authority in Cambodia) asking the will of the people in Cambodia, and in addition to the SDF, election monitors were dispatched for its safety and smooth implementation. The election was carried out without incident and it should be highly praised that results were produced exceeding initial expectations.

A New World View

Reconciliation diplomacy came to occupy an overwhelming weight in Japanese diplomacy after the war, but individuality also gradually has been generated.

Previously, independence had not existed to the extent that it even was said that the capital of Japan was not Tokyo, but probably Washington, but changes have come since 1970. The first baptism was the first oil shock and Japan, which had depended greatly on Middle East oil, dispatched major cabinet members and special envoys and moved its center of gravity toward the Arabs.

The second dilemma was the Tiananmen incident of 1989. Western nations including the United States emphasized human rights and had taken a harsh stance toward China, but Japan had historical ties and did not completely keep in step with them. This, like diplomacy closer to the Arabs, was a decision we were compelled to make.

Viewed from the cast of vote actions in the United Nations, Japan has not acted in concert with the United States. According to an analysis of the voting actions of major countries in the U.N. General Assembly from 1986 to 1990 by Nihon University Professor Okihisa Urano, Japan agreed most with Portugal with a frequency of 85.7 percent in 1990. In the third world, Turkey often ranked at the top. Viewing 1990, the United States was in the lowest ranking group with the degree of agreement at 32.1 percent.

In the future, there will be no change in the importance of reconciliation diplomacy, but conceptual diplomacy must be added as another wide trend.

For that, Japan must decide with its own yardstick how to view the world and how the role of Japan is positioned. It is determination of a new world view.

In the world that surrounds Japan, "new threats" are raising their heads in place of the "Soviet threat." The trends in North Korea which still conceals a tinge of adventurism, Russia which is saturated with the coloring of nationalism, and China must be watched with great care.

However, these are not just the new threats. These threats are different from previous ones. They are uncertain, troublesome threats whose form is not always clearly seen and when they will occur is not known. Specifically, international terrorism (especially cases where local ethnic conflicts cross over national borders, have repercussions within the country, and threaten the safety of unrelated people), acid rain, cross-border environmental problems such as bay and coastal pollution, the generation of refugees, infiltration by Mafia organizations, and gun and drug invasions can be cited. Moreover, there probably are cases where specific countries take resources, energy, and food, rare precious metals, etc., as security to intimidate advanced nations. Cases also probably will occur where the transport of goods or flow of information and communications will be stopped. They are intimidation by the weak, so to speak.

Advanced nations, not to mention Japan, of course, probably are not defenseless to the extent that they would be surprised by these new kinds of threat. Using the power of the imagination, they forecast various cases, put them together, determine the reality of the world, and devise methods to deal with it. Such work probably has limitations with the vertical bureaucratic organization up to now.

We must adhere to the U.S.-Japan security structure in the future in the sense of using the deterrent power of U.S. military force, in the sense of maintaining the position of the United States as the military balancer in Asia, and in the sense of lessening suspicions about Japan becoming a military superpower. However, even if the U.S.-Japan security structure is maintained, that does not mean that we think that it will take care of all problems for the most part. Rather, Japan indicating a foreign policy position based on its own world view will prevent the hollowing of the U.S.-Japan security structure and is a method for becoming good partners with the United States.

As stated at the beginning of the article, journalism has been strongly over-cautious about Japan having a world view. Moreover, political reporters have degenerated into faction reporters, economic reporters do not try to take one step from the narrow field of economics and have neglected efforts to try to understand the dynamism of international politics using economic knowledge as a weapon. They do not try to leave the thinking space of the press club, deluge various developments of conceptual diplomacy with cynical criticism, and have picked it in the bud.

The era when diplomacy is left solely to the bureaucracy clearly has ended. The bureaucracy should extricate itself from secretism and indicate all the options of diplomacy to the people. At the same time, journalism probably should strengthen their think tank function where they themselves can indicate options along with preparing a place where intellectuals can argue over various world views. Then, for the very first time it probably can be said that Japan's diplomacy "no longer is postwar."

Yoichiro Ichioka. Chief Editor NIHON KEIZAI SHIMBUN. Born in 1937. Graduate of Jiyu Gakuen. Joined NIHON KEIZAI SHIMBUN in 1960. In current position after working as special London correspondent; deputy managing editor of NIKEI BUSINESS; Washington Bureau chief; Foreign News Department chief, Editorial Bureau; subeditor, Editorial Bureau; and deputy chief editor. As author Yo Mizuki, works such as "Riot Is in My Grasp," and "Love Will Destroy Mankind." In this magazine, "Future of Japan and America," (July 1995 issue).

Japan: LDP Urges Delaying Decision on NTT Breakup

OW1903144696 Tokyo KYODO in English 1344 GMT 19 Mar 96

[FBIS Transcribed Text] Tokyo, March 19 KYODO — The Liberal Democratic Party (LDP) decided Tuesday [19 March] to call for carrying over of deliberations on a much-debated breakup of Nippon Telegraph and Telephone Corp. (NTT) until a regular parliamentary session next January, party members said.

The largest member of the tripartite coalition made the decision apparently because it did not want to upset the telecommunications giant, which is a powerful vote gathering machine, ahead of general elections which may come within 1996, political analysts said.

Among the coalition, the Social Democratic Party is arguing for deciding against the breakup by the end of March, reflecting the views of the Japan Telecommunications Workers Union, the NTT labor union backing the party.

New Party Sakigake [Harbinger], a third coalition partner, is expected to decide shortly to postpone making a decision on the breakup because the majority of policy makers who convened Tuesday were cautious about the split, party sources said.

A coalition task force studying the NTT issue will likely decide after a few more sessions to put off making a decision, coalition sources said. The cabinet of Prime Minister Ryutaro Hashimoto is expected to decide on the postponement on March 29, they added.

NTT became a semiprivate company in 1985, when the government publicly offered part of its stock. The NTT Law which governs its operations stipulated that the organizational status of the powerful telecom carrier would be reviewed in five years.

In 1990, the Telecommunications Council, an advisory panel to the posts and telecommunications minister, filed a report calling for spinning off the long-distance division of NTT.

The idea was rejected by the LDP which was then in power on its own. The party called for the government to make a final decision on the issue by the end of fiscal 1995 ending this month.

Prior to the deadline, the government telecom panel drew up another report on the NTT status in February, arguing that the company should be split into one long-distance and two local carriers serving the eastern and western halves of Japan to help lower rates and diversify services through competition.

The LDP held a joint meeting Monday of two in-house commissions studying telecom issues.

Participants in the gathering agreed to respect the government panel report. But they urged the Posts and Telecommunications Ministry to resolve differences of opinion with NTT on the earnings prospects of the three NTT offshoots.

The government panel expects all three offspring will turn a profit, while NTT estimates that the local carrier for western Japan will operate in the red.

Commission members argued that no conclusion convincing to the public can be drawn as long as the gap between NTT and the ministry remains.

"We would lose public confidence if we made the decision (on the split) in a situation like this," said Toshiji Saito, who heads ones of the two LDP telecom commissions. "But we cannot put it off for another five years, as we did last time, since telecommunications will be a key industry for Japan in the future."

Japan: JAMA Chairman on 1996 Auto Industry Issues

OW1903132696 Tokyo JAMAGAZINE in Japanese Jan 96 pp 2-3

[Article by Masaki Iwasaki, chairman of the Japan Automobile Manufacturers Association]

[FBIS Translated Text] Happy New Year.

At the beginning of this new year, I would like to offer some personal impressions. During 1995 Japan's economy had mixed results. The economic recovery was slowed by the Great Hanshin Earthquake at the beginning of the year and the swift rise in the value of the yen, and overall continued to suffer through severe conditions. On the other hand, domestic demand for four-wheel vehicles, RV (recreational vehicles), and imported cars continued to rise. Such factors resulted in overall sales of 6.87 million vehicles, an increase of 5.2 percent from the year before. Thus the growth in the domestic motor vehicle market seen in 1994 was continued. Furthermore, domestic demand for motorcycles (on a shipment basis) rose 1.6 percent to 1.21 million, the first increase in seven years. On the other hand, when it came to the export of finished motor vehicles, because of further development of local overseas production of four-wheel vehicles and the rise in the value of the yen, exports declined precipitously by 15.0 percent from the year before to 3.79 million vehicles. This was the tenth straight year in which exports had dropped. Exports of motorcycles also continued to drop as in the year before, by 7.4 percent to 1.30 million vehicles. Under these domestic and overseas conditions, total production of four-wheeled vehicles by Japanese automakers dropped by 3.3 percent to 10.20 million. That marked the fifth consecutive year in which this figure decreased. On the other hand, production of motorcycles increased for the third straight year to 2.75 million, an increase of 1.0 percent from the year before. Next, I would like to take a look at the prospects for this coming year. Domestic demand for four-wheeled vehicles should grow steadily because of the expected effects of economic policies, fulfillment of latent demand and other factors. Our estimates by vehicle types are as follows: passenger vehicles at 4.6 million (up 3.5 percent from 1995), trucks roughly the same as the year before at 2.41 million (up only 0.3 percent) and buses at 180,000 (up 4.0 percent), for a grand total of 7.03 million vehicles (up 2.4 percent). We also forecast sales of 1.19 million motorcycles (a decrease of 1.9 percent from 1995). Exports of finished vehicles will be impacted by greater local production overseas of both four- wheeled vehicles and motorcycles. Consequently, it will be difficult to maintain the same level as the year before. Due to these factors, it is very debatable whether total production of four-wheeled vehicles will surpass the 1995 level. We would like to think of 1996 as the "year in which we consolidate our base for new development" looking towards the 21st century. But in order to do so, I think that we must emphasize dealing with the following issues. The first is the need to invigorate the domestic market.

Today globalization of the motor vehicle industry is a major current. Therefore, future development will depend to a great extent on further commitment to local production, but this gives rise to concerns about the creation of employment problems within Japan. In order to avoid such problems, it is essential for us to breathe life into the domestic market. In other words, I believe that we have to provide products that match the needs of today's market in timely fashion. Moreover, in order to strive to unearth the potential demand for motor vehicles, it is important for us to take steps like further increasing the attraction of motor vehicles through development of peripheral technologies. In addition, in order to improve the environment in which motor vehicles are employed, we must redouble our efforts to promote the ITS (Intelligent Transportation System) and other things that will help to develop the mechanisms of an ideal motorized society. At the same time, from the standpoint of decreasing the burden on vehicle users, we must work in various related areas to bring down vehicle motor vehicle user taxes, which are heavy by international standards. Secondly, when it comes to the question of dealing with the outside world, by strengthening our industrial technology cooperation and promoting dialogue, we will be able to promote mutual understanding and cooperation at the international level.

With the development of economies and markets that are increasingly borderless in nature, the global motor vehicle industry is seeing a deepening of mutually interdependent relationships at various levels among manufacturers of completed vehicles and auto parts. Amidst these circumstances, each individual company is presenting its own "international business plan," and it will be important for them to steadily implement them. When it comes to JAMA as well, we are working hard to make international business relations even smoother, while from standpoint of the general situation, we are seeking to further promote dialogue among people in the industry in a more positive manner. As far as relations with China and the ASEAN countries are concerned, as a fellow member of Asia, we need to nurture the motor vehicle industry in our own region by improving the infrastructure, in terms of things like transportation systems and environmental problems, and making even more positive efforts to achieve tangible cooperation than we have in the past. Thirdly, we are contributing to society by making environmental and safety technologies more sophisticated. The increase in global consciousness concerning environmental safety will, I believe, become even more conspicuous as we move towards the 21st century. Japan's motor vehicle industry today can boast of many of the world's best technologies, and we now need to develop these on a global scale, and also have a duty to perfect them for future generations. In addition, by further improving earth-friendly technologies, such as making cleaner engines, greater recycleability and energy conservation, we will be able to contribute to the preservation of the global environment. In addition, when it comes to safety issues, in addition to working even harder than in the past to further improve safety equipment for motor vehicles, we have been strengthening multifaceted, detailed activities to raise consciousness concerning transportation safety. Moreover, we also need to redouble our efforts to achieve full realization of the great socioeconomic roles that the motor vehicle industry plays today, deal forthrightly with various domestic and international problems, and help materialize a dynamic, economically abundant motor vehicle society. I ask your increased aid and support for all of these tasks.

Japan: Hitachi Succeeds in Single Electron Memory Chip

OW2003060896 Tokyo NIHON KEIZAI SHIMBUN in Japanese 18 Mar 96 Morning Edition p 17

[FBIS Translated Text] Hitachi, Ltd. has succeeded for the first time in producing a single electron memory chip which the world looks forward to as the advanced memory device for the future. The new product conducts memory operations, storing 64 bits of data by controlling only a few electrons. Hitachi's latest achievement has suddenly raised research to higher levels on single electron memory chips that has so far been confined to confirming their operations in theory only. It is a feat that can lead to the development of tera (trillion) bit-class memory chips which are theoretically difficult using current semiconductor technology.

The prototype chip measures 25.6 square microns (one micron is one one-thousandth of a millimeter) in size. It consists of 64 individual memory devices that use thin films of polycrystalline silicon.

Each memory device can create "0" or "1" states either by trapping several electrons inside it or releasing them. Hitachi refined the circuitry on its new chip and succeeded in developing a circuit that allows data to be placed in memory or read out by selecting the appropriate memory device.

Hitachi's new chip registered write and erase times at 10 microseconds, which is close to practical levels. The chip also worked flawlessly in 1 million repetitive write and erase operations.

Currently, however, there are deviations with individual memory devices in regard to their performance, and as a result, there remains the possibility that data may recorded erroneously. Hitachi now plans to proceed with research projects aimed at developing practical memory chips by establishing technology to produce memory devices that perform uniformly.

So far, Hitachi's latest chip needs approximately the same amount of storage space that 256 megabit-one gigabit DRAM (dynamic random access memory) chips require to store one bit of data.

North Korea

DPRK: Foreign Parties Urge U.S. To Accept DPRK Peace Proposal

SK2003000396 Pyongyang KCNA in English 2151 GMT 19 Mar 96

[FBIS Transcribed Text] Pyongyang, March 19 (KCNA) — Foreign political parties have fully supported a tentative agreement for the establishment of a new peace mechanism proposed by the government of the Democratic People's Republic of Korea in February last.

The Bangladesh People's League, in a statement on March 10, said the old armistice system, a legacy from the cold war, has made no contribution to the peace of the Korean peninsula.

So, it said, the DPRK Government proposed to the U.S. the conclusion of a tentative agreement to replace the Armistice Agreement until a complete peace agreement is signed. The U.S. must respond favorably to this proposal, it urged.

The Central Committee of the Nepal Worker-Peasant Party said in a statement on March 9 that the proposal is very reasonable in establishing an institutional machine for preventing armed conflict and the danger of war and ensuring peace in the Korean peninsula with the Armistice Agreement left without real meaning due to the U.S.

The U.S. has no reason to refuse the proposal, it added.

The secretariat of the National Council of the Communist Party of India, in a statement, warmly welcomed the DPRK's peace-promoting proposal, saying the peace of the Korean peninsula is also badly needed for the peace of Asia. The chairman of the African Independent Party of Senegal, Majhemouth Diop [spelling of name as received], told the DPRK ambassador on March 9 that the proposal eloquently shows the DPRK's peaceloving stand.

DPRK Daily Denounces Kim Yong-sam's Remarks on Dialogue

SK1603094696 Pyongyang KCNA in English 0944 GMT 16 Mar 96

["MINJU CHOSON on S. Korean Chief Executive's Balderdash About Dialogue" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, March 16 (KCNA) — The traitor Kim Yong-sam made a tour of some Asian nations some time ago, during which he said that the DPRK has "created threats", "refusing" to hold dialogue, and entreated them to render "cooperation" for the resumption of North-South dialogue.

Commenting on this, a news analyst of MINJU CHOSON today says:

The allegation of the South Korean puppets that they strive for "dialogue" and "detente" can be made only by those who are experienced in reversing black and white.

The South Korean authorities brought inter-Korean dialogue to a rupture and have increased the danger of war. It is the height of shamelessness that they vociferate about "resumption of dialogue" and "military threats from the North".

The Kim Yong-sam group are not truly interested in dialogue, peace and reunification, but seek only confrontation of strength and the wild ambition for "unification by prevailing over communism."

With the obtrusive utterances about "dialogue" the Kim Yong-sam group try to mislead the public opinion and divert elsewhere the attention of the people in a bid to quell the anti-"government" feelings which have grown with the secret fund scandal and the May 18 incident as an occasion and win in the forthcoming "National Assembly election". They also intend to get more assistance and cooperation from outside forces and obstruct the improvement of the DPRK-U.S., DPRK-Japan relations by coiling up the tension on the Korean peninsula under the pretext of "threats" from the North.

DPRK: Kim Yong-sam's Remarks at Military Academies Denounced

SK1903101296 Pyongyang Korean Central Broadcasting Network in Korean 0854 GMT 18 Mar 96

[Unattributed commentary: "Dangerous Remarks by the Guy Who Is Restless With War Frenzy"]

[FBIS Translated Text] Puppet traitor Kim Yong-sam's frenzy for confrontation and war has reached an extreme stage. A few days ago the traitor appeared at the graduation ceremonies and commission ceremonies of the puppet Navy and Air Force military academies and babbled there again about a military adventure by the North, the possibility of provocations by the North, and the like while slandering our system.

Talking about making the puppet Army an elite army and about tight and thorough preparedness, the traitor went so far as to utter bellicose, violent remarks inspiring war fever.

Puppet Kim Yong-sam, who has lost his reason after getting stuck in the mud, is now randomly uttering indiscreet remarks.

Regarding the puppet traitor laying the blame on our system, it is indeed a ridiculous act like fighting the windmills.

As the world's progressive mankind officially recognize, our country's socialism is the most superior socialism centered on the popular masses.

That we are advancing, without the slightest degree of faltering, holding aloft the banner of socialism, even amid the circumstances under which the anti-Republic maneuvers by the allied forces of imperialism are being viciously perpetrated, is evidence of the great vitality of our socialism, which is the body of singlehearted unity of the leader [suryong], the party, and the masses.

Our sincere efforts for national peace and for peaceful reunification are well known to the world. Nevertheless, traitor Kim Il-song has been speaking ill of us. This is because he is jealous of the fact that our Republic is advancing victoriously with each passing day and that the people's support for our peace-loving efforts for reunification are further increasing. This is also designed to cover up his bellicose nature, which frantically runs wild to trigger an internecine war in collusion with outside forces.

Traitor Kim Yong-sam's shameless smear propaganda against us will not work today. Rather, it will reveal only his true colors, which are seeking only individual greed for power and self-interests in disregard of the destiny of the country and the nation and trying to seek the way of survival in strengthening the anti-Republic confrontation and the maneuvers for a war of northward invasion.

The elite army, thorough preparedness, and the like that the puppet traitor talked about precisely mean further acceleration of the preparations for a war of northward invasion. By noisily advertising the nonexistent threat from the North, the puppet traitor is attempting to brand us as bellicose elements, justify the puppets' maneuvers for a war of northward invasion, and, furthermore, invent an excuse to ignite the fuse of war of northward invasion. This can be proven by the puppets' military moves, which have become more reckless with each passing day.

The puppets have concentrated vast armed forces in South Korea and near the Korean Peninsula and are frantically waging war exercises against us for a war of northward invasion together with outside forces. They have mapped out and announced the schedule for large-scale war exercises, which will be staged this year in place of the Team Spirit joint military exercise. They are now even implementing this schedule.

The war games for a war of northward invasion that the puppets are staging together with the bellicose elements of the United States — such as a U.S. nuclear submarine's call at a South Korean port and its participation in a joint exercise, the bombing exercise by U.S. strategic bombers, and a U.S.-South Korean expeditionary joint exercise in Texas — are indeed dangerous.

Military experts say these exercises are a test war at the final stage on the eve of an actual war.

It is only too clear that the puppets have made the provocation of a war of northward invasion an established fact and are pushing ahead with its preparations at the final stage.

What is left is for the puppets to create circumstances favorable to provoking the war. For this, traitor Kim Yong-sam is inspiring confrontation and war while slandering us. However, the anti-Republic maneuvers for confrontation and war will not be able to open the road for survival to the puppets and will expedite only their final ruin.

Traitor Kim Yong-sam should know that he has become the target of overthrow by the people because he is a traitor, chieftain of thieves, and a war servant for the imperialists. He should renounce acts of randomly slandering and maligning us and should act discreetly.

DPRK: VNS: Increasing Number of South Koreans Revere Kim Chong-il

SK1903113696 Pyongyang KCNA in English 1009 GMT 19 Mar 96

[FBIS Transcribed Text] Pyongyang, March 19 (KCNA) — An increasing number of South Koreans revere the great leader Comrade Kim Chong-il, the Seoul-based radio Voice of National Salvation [VNS] reported.

According to information from the Pusan City Committee of the National Democratic Front of South Korea (NDFSK) [SKNDF], Pak Yong-ho, a technician of the Hyundai Construction Co., showed his colleagues a picture album "Architecture in Bloom" he had procured from overseas.

He told them:

"Looking at the picture album on the development of architecture in the North, I was fascinated by the great personality of the leader Kim Chong-il. That is why I have brought it here.

"There is no such leader as Kim Chong-il, who is versed in politics, economics, military affairs, culture, architecture and all other realms. He is a great statesman as well as a genius of architecture."

According to information from the South Chungchong Provincial Committee of the NDFSK, Prof. Kim Man-sok in Taejon city told his students in mid-February:

"In most countries, the values of intellectuals are falling and the destinies of scientists and technicians are getting more miserable. In the North, however, the situation is quite different.

"I am told that in the North all scientists and technicians give full play to their talents under the deep care and love of the leader Kim Chong-il.

"Through Radio Pyongyang, I heard that the leader Kim Chong-il sent a wreath to the bier of the late Yi Song-ki, a scientist of South Korean origin, and prayed for the repose of his soul. It was surprising to me.

"His is a heart of great love for all South Korean scientists."

According to information from the Seoul City Committee of the NDFSK, Kim Yun-sop, an active member of the Civic Society To Prevent Campus Violence, told officials of the society: "The North owes the brilliant settlement of the youth problem to General Kim Chong-il. No people are happier than the people in the North, who entrust him with care for their children."

DPRK: Trade Union Rallies in ROK Reported

SK2003050596 Pyongyang KCNA in English 0428 GMT 20 Mar 96

["Struggle in South Korea" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, March 20 (KCNA) — The emergency measure committee of the trade union of the Munhwa Broadcasting Corporation held a rally of more than 1,000 union members at the office in Seoul on March 18, according to a radio report from Seoul.

The committee at the rally decided to struggle in demand of the immediate resignation of the venal president of the corporation and the director of the "Society for Developing Radio Munhwa."

On the same day, the leading members of six city bus trade unions under the federation of the car trade unions held a rally before entering an indefinite overnight sit-in to urge the company side to increase their wages.

DPRK: Labor Disputes, Demonstrations in ROK Noted

SK1803050496 Pyongyang KCNA in English 0421 GMT 18 Mar 96

[FBIS Transcribed Text] Pyongyang, March 18 (KCNA) — Some 400 students affiliated with the Seoul District Federation of University Student Councils (Sochongnyon) held a demonstration in Seoul on March 15 denouncing the puppet authorities for harshly cracking down upon labour movement and demanding a halt to it, a Seoul-based radio reported.

More than 200 inhabitants of Tokjok islet, Kyonggi Province staged a demonstration near the puppet government building on March 15 demanding a compensation for their losses during the protest against the building of a nuclear waste depository in Kurop islet.

And, bus labour unions in Pusan, Kwangju and Taegu decided to stage a total walkout in case the employers do not accept their demand for wage hike.

DPRK: 'Warning' to SANKEI SHIMBUN on Publishing False Reports

SK1903122196 Pyongyang Radio Pyongyang in Korean to South Korea 0050 GMT 12 Mar 96

[Unattributed commentary: "A Warning to SANKEI SHIMBUN"]

[FBIS Translated Text] The Japanese newspaper SANKEI SHIMBUN again exposed its ugly nature as the South Korean puppets' ugly political maid and a word-selling fabricating paper. On 9 March, the

SANKEI SHIMBUN, quoting a South Korean intelligence source, printed a groundless fabricated report that some 200 college students staged an antigovernment demonstration in Chongjin Port in the northern part of our country, and that our country is under an alert posture.

The SANKEI SHIMBUN report is full of lies and distortions. Nobody would listen to such a concoction. We cannot tolerate the SANKEI SHIMBUN, which continues to act as the political maid of the South Korean puppets, misleading public opinion with lies and deception, and recklessly insulting our youth and students.

Our youth and students have enjoyed the happiest lives under the benevolent politics of the Workers Party of Korea, and they have confidence and optimism about their future. They are a proud generation which is struggling to make its socialist fatherland more prosperous. They value their leader [suryong] and leader [yongdoja], who are their destiny and future, as well as their party and the socialist system, which is the cradle of their lives, like their own lives. They sacrifice their blood and flesh and even lay down their lives without hesitation for the party and the leader [suryong], society and the collective, and for comrades in the revolution. Everyone admires our youth and students' lofty view of life and morality. Even politicians of capitalist countries have praised them as national treasures.

It is a wild sophism of unreasonable and insensitive people that our youth and students staged an antigovernment demonstration. The rumors about the college students' antigovernment demonstration is a last-minute scream of the South Korean puppets, who are scared by the ever-growing determination of our youth and students to become rifles and bombs to defend the party and the leader [suryong], and by the invincible great single-hearted unity of our society.

The entire world knows that the South Korean puppets have devised such fictions one after another to recover their ruling crisis, which has deterioriated to the extreme, and to divert the attention of the people and youth and students, who have risen to the anti-Kim Yong-sam struggle. The journalists group of the SANKEI SHIMBUN must have known about the reality. However, the journalists again conspired with the South Korean puppets to devise the anti-Republic smear campaign, staining the reputation of Japanese journalism and fully exposing the fact that it is a word-selling fabricating group bribed by the puppets.

Fact, truth, and fair reports are the mission and life of journalism. If a paper denies the truth and clings to false stories and deception, it will be strongly denounced at home and abroad as a word-selling paper and a fraud. SANKEI SHIMBUN received a paltry sum of money from the South Korean puppets and again sold out the precious mission and conscience of journalism. As a result, SANKEI SHIMBUN has been branded as the trashiest and dirtiest word-selling fabricating paper, a paper so obsessed with money that it helped the South Korean ugly nation-selling traitor puppets. The SANKEI SHIMBUN should not act without discretion.

Last year, when the paper played into the hands of the South Korean puppets and reported that the DPRK had exaggerated the extent of its flood damage, we warned SANKEI SHIMBUN not to play the role of political maid to the South Korean puppets. The SANKEI SHIMBUN should have deeply pondered our warning, but it again conspired with the South Korean puppets in their trick, doubling its crime.

There is an old saying in Japan that one who does not think of one's future cannot avoid misfortune. If the SANKEI SHIMBUN continues to cling to the mean anti-Republic scheme despite our repeated warnings, the paper will pay dearly for this.

Our youth and students love justice and truth, and value truth above all. They will never forgive SANKEI SHIMBUN's journalists for insulting them. The journalists of SANKEI SHIMBUN should be aware that conscientious journalists throughout the world will not just sit back and watch SANKEI SHIMBUN play the role of maid of the puppets and continue with false reports and concoctions.

DPRK: Delegation of Japanese Scholars Visits Mansu Hill

SK2003045596 Pyongyang KCNA in English
0426 GMT 20 Mar 96

[FBIS Transcribed Text] Pyongyang, March 20 (KCNA) — A delegation of scholars of the national institute for research advancement of Japan visited the statue of the great leader President Kim Il-song on Mansu Hill to pay homage to him.

The guests laid a bouquet of flowers before the statue and made a bow with boundless respect and reverence for the respected president.

The delegation arrived here on March 19.

DPRK: Film Show Marks Anniversary of DPRK-Russia Economic Pact

SK1903055496 Pyongyang KCNA in English
0424 GMT 19 Mar 96

[FBIS Transcribed Text] Pyongyang, March 19 (KCNA) — Film show was held here on Monday on the occasion of the 47th anniversary of the signing of the agreement on economic and cultural cooperation between the Democratic People's Republic of Korea and the Russian Federation.

Russian Ambassador to Korea Yuriy Fadeyev and embassy officials were invited to the film show.

Present were Kim Yong-su, vice-chairman of the Korea-Russia Friendship Association and vice-chairman of the Committee for Cultural Relations with Foreign Countries, officials concerned and working people in the city.

The participants appreciated a [word indistinct] film.

DPRK: Zairian Party Delegation Leaves Pyongyang 19 Mar

SK1903114296 Pyongyang KCNA in English 1037 GMT 19 Mar 96

[FBIS Transcribed Text] Pyongyang, March 19 (KCNA) — The delegation of the Lumumba Democratic Party of Zaire led by its Secretary General Ngoy Nduba Kamatanga left here today after an 18-day visit to the DPRK.

The delegation was seen off at the airport by Hwang Chang-yop, secretary of the Central Committee of the Workers' Party of Korea, and others.

During its stay the delegation visited Mangyongdae, the Party Founding Museum, the Revolutionary Martyrs' Cemetery on Mt. Taesong, the International Friendship Exhibition, Kim Il-song University, the Arch of Triumph, the West Sea [Yellow Sea] barrage and several places in the capital and local areas.

DPRK Meeting Marks National Day of Tunisia

SK2003045396 Pyongyang KCNA in English 0415 GMT 20 Mar 96

[FBIS Transcribed Text] Pyongyang, March 20 (KCNA) — A meeting was held here on March 19 under the sponsorship of the Korea-Tunisia Friendship Association on the occasion of the 40th anniversary of the national day of Tunisia.

Present there were Yi Song-ho, vice-chairman of the Committee for Cultural Relations With Foreign Countries and chairman of the Korea-Tunisia Friendship Association, officials concerned and working people in the city.

A message of greetings to Tunisian President Zine El Abidine Ben Ali was adopted after a speech at the meeting.

DPRK: WPK Sends Message to Funcinpec Congress in Cambodia

SK1903114096 Pyongyang KCNA in English 1035 GMT 19 Mar 96

[FBIS Transcribed Text] Pyongyang, March 19 (KCNA) — The Workers' Party of Korea [WPK] Central Committee sent a congratulatory message to the 1st Congress of the Funcinpec Party today.

The message expressed the belief that the congress would make an important turn to strengthen and develop the party and build a new prosperous Cambodia and wished the congress success.

It manifested the conviction that the friendly and co-operative relations between the two parties and peoples of the DPRK and Cambodia would further develop in strength.

DPRK: Kim Chong-il Honors Deceased Atomic Energy Chief

SK1503140696 Pyongyang KCNA in English 0948 GMT 15 Mar 96

[FBIS Transcribed Text] Pyongyang, march 15 (KCNA) — The Great Leader Comrade Kim Chong-il today sent a wreath to the bier of the late Chong Tae-hyon, deputy director of the General Department of Atomic Energy, expressing deep condolence over his death.

DPRK: Kim Chong-il Sends Wreath to Chae Hui-kuk's Bier

SK1603101896 Pyongyang KCNA in English 1011 GMT 16 Mar 96

[FBIS Transcribed Text] Pyongyang, March 16 (KCNA) — The great leader Comrade Kim Chong-il sent a wreath to the bier of Prof. and Dr. Chae Hui-kuk, chief of a department of Kim Il-song University, winner of the Kim Il-song Prize and corresponding member of the Academy of Sciences, to express deep condolences over his death on March 15.

DPRK: Kim Chong-il Thanks Units, People

SK1803050196 Pyongyang KCNA in English 0419 GMT 18 Mar 96

[FBIS Transcribed Text] Pyongyang, March 18 (KCNA) — The great leader Comrade Kim Chong-il sent thanks to the Chon Hong-kap enterprise, the Pyongyang seafood store and Hwang Sun-hui, a worker at the Han Myong-su enterprise, for their taking good care of servicemen and disabled ex-servicemen.

He also sent thanks to non-professional lecturers of various units including Chong Il-kwang, an instructor of the Hoeryong city Administrative and Economic Committee of North Hamgyong Province and Choe Hyo-sin, an instructor of the Chollima steel complex, for their good propaganda activities through lectures.

DPRK: Kim Chong-il Thanks Culture-Sport Commission, Security Unit

SK1503035696 Pyongyang KCNA in English 0335 GMT 15 Mar 96

[FBIS Transcribed Text] Pyongyang, March 15 (KCNA) — The great leader Comrade Kim Chong-il sent thanks in the name of the Central Military Commission of the Workers' Party of Korea and the supreme commander of the Korean People's Army to the State Physical Culture and Sports Commission for its full display of the traditional traits of army-people unity..

Officials and employees of the State Physical Culture and Sports Commission sent support materials imbued with their sincerity to servicemen scores of times so that they could achieve greater success in their combat and political training.

Comrade Kim Chong-il also gave his thanks to the servicemen of the Kim In-sik Unit of the Korean People's Security Forces for their wholehearted assistance to better arrangement of the Pyongyang earth station.

DPRK: Kim Chong-il Receives Gift From Zairian Party Leader

SK1603040296 Pyongyang KCNA in English 0334 GMT 16 Mar 96

[FBIS Transcribed Text] Pyongyang, March 16 (KCNA) — The great leader Comrade Kim Chong-il received a gift from Ngoy Nduba Kamatanga [name as received], secretary general of the Lumumba Democratic Party of Zaire, on a visit to Korea.

The gift was handed by the secretary general to Hwang Chang-yop, secretary of the Central Committee of the Workers' Party of Korea.

DPRK: WPK Central Committee Replies to Foreign Parties

SK2003044296 Pyongyang KCNA in English 0413 GMT 20 Mar 96

[FBIS Transcribed Text] Pyongyang, March 20 (KCNA) — The Central Committee of the Workers' Party of Korea [WPK] sent messages to foreign parties in reply to their messages of greetings on the occasion of the birthday of the great leader Comrade Kim Chong-il.

Among them were the Political Executive Committee of the Socialist Party of Kazakhstan, the Central Committee of the Communist Party of Tajikistan, the Central Committee of the Zimbabwe African National Union-Patriotic Front, the Central Committee of the Romanian Communist Party, the Central Committee of the Party of Communists of Moldova and the Central Executive Committee of the People's National Congress of Guyana.

The messages expressed the belief that the friendly and cooperative relations between the WPK and those parties would continue to develop on good terms.

DPRK: Kim Chong-il Writing on Shortcomings of Materialism

962C0033B Pyongyang NODONG SINMUN in Korean 3 Jan 96 p 2

[Article by Pak Chong-nam: "A Programmatic Guiding Principle Illuminating the Road to Victory for the Socialist Cause in Our Time"]

[FBIS Translated Text] It is 4 years since the great leader [yongdoja] Comrade Kim Chong-il published the immortal classic "Historical Lessons of Socialist Construction and Our Party's General Line." On this memorable day, our people and the progressive people all over the world are once again mulling over the greatness of the ideological and theoretical achievements of the respected and beloved Comrade Kim Chong-il, who has been illuminating the road ahead for our time with his uncommon ideological and theoretical wisdom and making an immortal contribution to the cause of self-reliance, the cause of socialism, and the cause of the masses of people.

This classic of the respected and beloved Comrade Kim Chong-il, on the basis of a profound analysis and summation of our historical lessons in socialist construction and our practical experience in the revolution, serves as an immortal militant banner brightly illuminating the road to rebuilding the socialist movement; it is a great encyclopaedia on revolution that has made a signal contribution to the development of the thought and theory on socialism in modern times.

The classic lucidly analyzes the basic causes of the collapse of socialism in some countries in recent years and elucidates the truth and justness of our party's general line on socialist and communist construction. Also comprehensively enunciated in the classic are the methodology and the ideological and theoretical guiding principles for leading the cause of socialism to a new plateau on a global scale. The classic provides scientific answers to urgent theoretical and practical questions arising in the fulfillment of the socialist cause in the present day and incontrovertibly proves the invincibility and justness as well as the superiority and vitality of socialism. For this reason, the classic has inspired new confidence and courage in the revolutionary peoples fighting for socialism and played a great role in promoting the cause of socialism overall. Today the revolutionary parties and peoples, overcoming temporary confusion, are launching into a new struggle with the aspiration of the masses to build a new world ever intensifying. Reality eloquently attests to the scientific and revolutionary nature and the practical significance of the thought, theory, and policies set forth in the classic.

This classic of the respected and beloved Comrade Kim Chong-il is a monumental work which, on the basis of a profound analysis of the historical reality of socialist construction, marks a milestone on the road to victorious advance of the socialist cause in the age of self-reliance.

The great leader [yongdoja] Comrade Kim Chong-il pointed out as follows: "The socialist cause is a just cause aimed at materializing the independent stand and attitude of the masses; and for mankind to advance toward socialism is the inviolable law of historical development."

One of the important historical achievements made by this immortal work in the development of socialist ideology and the socialist cause is, above all, its comprehensive elucidation, for the first time, of the principles and methods of socialist construction based on the chuche-based view of history.

Socialist society is one built with goals in mind; accordingly, the problem of on what principles and by what methods socialist construction should be pushed forward is a fundamental question to which working-class parties should give priority in building socialism. One of the major reasons socialism collapsed in some countries in recent years is that they failed to solve this question correctly.

The problem concerning the principles and methods of socialist construction can be solved properly only when there is an accurate understanding of the way social history develops.

The earlier theory of revolution— which quite a few working-class parties claiming to be building socialism regarded as their guiding principle— was, in a nutshell, a theory based on historical materialism. That earlier theory considers the process of socialist development as a process of natural history influenced chiefly by material and economic factors, and views the process of social revolution as one of resolving contradictions between forces and relations of production generated inevitably by the development of productive forces, and also attributes differences between communism at the higher stage and communism at the lower stage to differences in the development levels of productive forces. This point of view invariably leads to the conclusion that communism, the ideal society for mankind, can be built by developing productive forces through economic construction after the socialist system is established. But, as reality shows, the intrinsic nature of socialist society and its superiority do not exclusively lie in socialist government or socialist relations of ownership themselves; nor does the motive force of socialist construction lie in the adaptation of forces and relations of production to each other— an economic factor. Experience in socialist construction in those countries which were unable to free themselves from the dogmatic interpretation of the earlier theory provides the historical lesson that basic problems involving socialist and communist construction cannot be solved by economic construction alone, and that economic construction itself cannot be accomplished properly when it is set as the only goal.

Inasmuch as the subject of the socialist movement is human beings, the inevitability of social change and development should be understood with primary emphasis on human beings.

From the chuche point of view that man is the major factor in social development, the respected and beloved Comrade Kim Chong-il in his classic uniquely elucidates the essential nature of socialist society, and on this basis, gives a clear-cut answer to the question of how to push ahead with socialist construction.

As taught by the respected and beloved Comrade Kim Chong-il, socialist society is one in which the masses of people are the masters and which develops under the creative power of the masses united as one.

The masses band together as comrades and struggle together with heightened self-consciousness and competence— this is the intrinsic nature of socialist society which sets it apart from all forms of exploitative society, and it serves as the motive power thrusting socialist society forward. Therefor, the basic way to promote socialist construction is: to educate the masses in a communistic way by giving priority to human remodeling work; strengthen the subject of the revolution by banding them closely around the party; and enhance the role of chuche by bring into play the revolutionary fervor and creativity of the masses to the fullest extent possible. This is a valuable guiding principle indicating essential and ingenious ways to successfully push forward with socialist construction.

Another important contribution made by the classic to the development of socialist ideology and the socialist cause is that the classic provided— by elucidating fundamental issues in protecting the basic interests of the masses— a powerful weapon for safeguarding and advancing the socialist cause under whatever conditions and circumstances.

Socialist society is one embodying the inherent desire of the masses to do away with the exploitation and oppression of man by man and live together as their own masters. The process of building socialism and communism is none other than the process of completely materializing the independent stand and attitude of the masses. Accordingly, in leading socialist construction, working-class parties must resolutely protect the independent demands and interests of the masses and resolve all problems in the revolution and construction in a manner consistent with the fundamental interests of the masses.

In his classic, the respected and beloved Comrade Kim Chong-il teaches that to build socialism in conformity with the independent demands and basic interests of the masses, it is essential to strengthen the working-class party in organizational and ideological terms, securely safeguard party leadership over the revolution and construction, enhance the function and role of socialist government, protect and develop the mode of socialist ownership, and struggle resolutely against imperialism. This, he stresses, is a revolutionary principle that we should never yield at all.

People in those countries which were building socialism before were short in faith in socialism and weak in the working-class stand. That is why they wavered when confronted with temporary obstacles in the course of socialist construction, and succumbed to the pressures of the imperialists, and began to yield the aforementioned principle, gradually. In these countries they neglected the task to strengthen their working-class parties, weakened the unitary leadership function of their socialist states, and set out the road to compromising with imperialism in an unprincipled way, by accepting capitalist relations of ownership and the capitalist mode of economic management. This is precisely the principal factor that led to the metamorphosis and collapse of the society.

The basic principles of socialism spelled out by the respected and beloved commander in his classic are based on a scientific elucidation of these factors: the position and role of the party in the fulfillment of the socialist cause; the effects of socialist government and relations of ownership on the consolidation, development, and perfection of socialist society; the essential difference between socialist society and capitalist society; and the aggressive nature of imperialism. In fact, these principles serve as the absolute standards— and the guiding principles of struggle and action— that the working-class parties currently building socialism should follow in protecting the basic interests of the masses and advancing the cause of socialism under any conditions and circumstances.

The classic sets forth the basic principles which need to be observed in mutual relations among parties in socialist countries, and that itself is an achievement because it insures the way for advancing the cause of socialism in our age upon a new foundation.

One of the important problems facing the international communist movement in bygone days was that the party in a big country with a long history tried to ram home its will and lines to parties in other countries; on the other hand it became a habit of the parties in some countries to blindly follow the party in the big country, and the erroneous tendency to view such blind following persisted as if it were a manifestation of loyalty to internationalist duties continued.

The collapse of socialism, not in one or two countries, but in so many countries in sequence, has something to do with the following fact: the parties of these countries, lacking an independent stand and attitude, yielded to chauvinistic pressures and danced to someone else's tune; and as a consequence, when someone else practiced revisionism, they followed suit, and when others introduced "reform" and "reorganization," they, too, introduced them.

In his classic, the respected and beloved Comrade Kim Chong-il elucidated that uniting and cooperating with one another on the basis of an independent stand and attitude and maintain this stand and attitude while strengthening international solidarity should be the basic principle that socialist countries must abided by in their interrelationships. Under the condition where different countries have different environments and conditions of the revolution, with the party in each country acting independently, there is no need for an international command center per se. Ours is an age of self-reliance. When the revolutionary parties forge comradely relations on the basis of independence and equality rather than a kind of relationship that would exist between senior and junior parties or between parties giving orders and parties receiving orders, then and only then will it be possible to achieve a truly durable international unity and vigorously advance the cause of socialism with united might.

In his immortal work the great leader [yongdoja] Comrade Kim Chong-il perfectly elucidated and systemized the ideological and theoretical foundations and vitality of our party's general line, as well as theoretical and practical problems arising in the thoroughgoing implementation of the general line. That is a towering achievement he made in the development of socialist ideology and th socialist cause.

Early on the great leader elucidated the true features of socialist, communist society in which the masses of people will attain their independent stand and attitude, as well as the inevitable course of socialist, communist construction through three transformations, namely, nature remaking, social reform, and human remolding, and on this basis, presented his famous proposition that people's power plus three revolutions equals communism. Predicated in this preposition is the idea that communism, the ideal human society, can be brought into reality under the following conditions: that people's power is strengthened reflecting the independent stand and attitude of the masses of people; that all members of society are turned into communistic human beings by carrying out the ideological and cultural revolutions while enhancing the function and role of people's power; and that the material and technological foundations of communism are laid by waging the technological revolution and remodeling social relations after communism accordingly. This is the most unique idea that defines the right strategy and policy for the struggle to build socialism and communism by completely overcoming the limitations of the earlier theories.

In his classic, the respected and beloved Comrade Kim Chong-il clearly spells out the ideological and theoretical foundations of our party's general line by elucidating that this line is based on the human-centered principles of social history, and on the basis of our party's practical experience, fully proves the justness and vitality of our party's general line. This shining example of the working-class party should enhance and develop its guiding ideology, and on that basis, formulate and implement its strategy and policy for the struggle to build socialism. It also serves as an inspirational banner enabling parties and people making revolution to launch all the more vigorously into the struggle to win new victory for socialism with a correct understanding of the absolute truth and superiority of socialism and communism. The ideas, theories, and policies spelled out by the respected and beloved commander in his classic is playing a tremendous role in propelling the contemporary trends toward socialism on the strength of their scientific and revolutionary characteristics. The power of attraction and catalytic significance is increasing with each passing day.

It is the greatest honor for our party and people to look up to the respected and beloved Comrade Kim Chong-il, the greatest ideological theorist of our time and an outstanding leader of the socialist cause, with reverence; and it is a noble revolutionary duty for our people to ceaselessly glorify our own way of socialism by faithfully upholding the commander's thought and leadership.

DPRK: Symposium Held on Chuche-Based Idea of Fine Art Development

SK1503050696 Pyongyang KCNA in English 0413 GMT 15 Mar 96

[FBIS Transcribed Text] Pyongyang, March 15 (KCNA) — A symposium on the chuche-based idea of fine art development was held here on Thursday to thoroughly carry out the tasks advanced by the great leader Comrade Kim Chong-il on Feb. 18 while appreciating art works made by the Mansudae Art Studio and Pyongyang University of Fine Arts.

Comrade Kim Chong-il praised the oil painting "Mansu Hill in July, 1994" saying that it successfully represents a historical fact which is hard to be recorded by photograph.

He also highly appreciated the Korean paintings "Medicinal Cream Imbued With Loving Care", "Blooming Pyongyang Under Guiding Sun" and "Pyongyang Rising on Debris".

He taught about the national peculiarities and color of the Korean jewel painting, vivid description, composition and other matters.

It was stressed at the symposium that the Feb. 18, 1996 important teachings of Comrade Kim Chong-il should be studied more deeply, that more monumental works should be produced to meet the demand of the party and revolution and the desire of the time and people and that reserve artists should be trained better.

Stress was laid on developing the art with the Korean painting at the core and producing Korean jewel paintings as worldwide masterpieces.

DPRK Daily Praises Kim Il-song as 'Greatest Statesman'

SK1903114596 Pyongyang KCNA in English 1033 GMT 19 Mar 96

["NODONG SINMUN Praises President Kim Il-song as Greatest Statesman" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, March 19 (KCNA) — The glorious 50-year-long administration of the Great Leader Comrade Kim Il-song, who performed exploits immortal in the political history of the 20th century, is a treasurehouse of the Kim Il-song nation and a priceless wealth common to the humanity, says NODONG SINMUN in an article today.

The authors of the article say his years of administration was a history of the greatest statesman in the world in his long political career and splendid achievements.

The daily quotes the Great Leader Comrade Kim Chong-il as saying:

"No other country has had such a leader as ours, who guided the country and the people for fifty years. Our leader guided the country and the people for half a century after the liberation of the country, with the period of the anti-Japanese revolutionary struggle led by him not being included."

The article says:

The respected leader Comrade Kim Il-song was acclaimed as the head of the party, the state and the army when the building of a new society was beginning. He was a veteran statesman with rich experience and an admirable political career. In his thirties, he triumphantly guided the 20-year-long anti-Japanese war.

From then until the end of his revolutionary life, he had been active as the general secretary of the ruling party, head of the republic and supreme leader of the revolutionary Armed Forces, bearing responsibility for the affairs of the party and the revolution and creating a new history of popular politics. After the end of World War II, many political leaders appeared, but we have never known such a leader as Comrade Kim Il-song, who guided the country and the nation for many years.

For 50 years of administration, he led the revolution and construction triumphantly without any small mistakes. In this we can see the greatness of his long administration.

He successfully carried out the anti-imperialist, anti-feudal democratic revolution for the first time in the world and the socialist revolution. He also led to victory the military and political war with the imperialist aggressors and successfully pushed ahead with the gigantic socialist construction.

His 50 years of administration is also a history of a great revolutionary who energetically directed the revolution and construction without slightest stagnation.

With the same vigor and spirit as he displayed in guiding the anti-Japanese war, he led the people to traverse the untrodden path of the founding of the republic, win the rigorous fatherland liberation war and overcome the hardships in the postwar rehabilitation and construction. His on-spot guidance reached every nook and corner of the country. The tireless efforts he made devotedly for the happiness of the people can be felt in all parts of the country.

He, who had energetically worked for the party and the revolution, for the country and the people until the end of his life, passed away in harness. He was, indeed, the genuine paragon of great revolutionaries.

His 50 years of administration is also a glorious history in which he guided the revolution, believing in the people and mixing himself with the people.

He always considered that politics was to serve the people, not to rule over the people.

Each time our revolution was faced with difficult and huge tasks, he always mixed himself with the people, sharing life and death, bitters and sweets with them.

His glorious history of administration is connected with the 30-year-long history of the revolutionary activities of the respected Comrade Kim Chong-il.

Our revolution's 50-year-long history contains the 30-year-long glorious history in which the leader and his successor administered the state affairs in perfect harmony.

Over last three decades a valuable ideological and theoretical wealth of our age was provided by the two leaders.

The immortal chuche idea, which has become the guiding idea of the present era, is an ideological and theoretical wealth created by the two leaders together.

The years of their administration is a proud history in which they defended and developed socialism with outstanding and tested leadership.

Comrade Kim Il-song and Comrade Kim Chong-il shaped strategies together in the general staff of the revolution to smash the imperialists' vicious challenge and aggressive moves, made a resolute decision together to safeguard the supreme interests of the nation and also commanded the acute confrontation with the enemy together in the supreme headquarters.

What Comrade Kim Il-song absolutely believed in in hard time was the clairvoyance and matchless grit of Comrade Kim Chong-il and what the latter absolutely trusted in was the former's ever-victorious strategies and far-sightedness.

Their joint administration was based on the strongest sense of revolutionary comradeship and obligation.

Theirs is not only the relationship between the leader and the successor but that between great comrades, between great comrades-in-arms. It was Comrade Kim Chong-il who had always been with Comrade Kim Il-song, sharing the same destiny. And it was Comrade

Kim Il-song who had placed deepest confidence in Comrade Kim Chong-il and done his best for him.

Guided by Comrade Kim Chong-il, who has administered the state affairs for many years with Comrade Kim Il-song and has been carrying forward his administration, our political system remains unchanged and politics based on love and trust continues. Under his leadership our socialism has become more prosperous.

DPRK: Yi In-mo on Living in 'Socialist Motherland'

SK2003000496 Pyongyang KCNA in English 2158 GMT 19 Mar 96

[FBIS Transcribed Text] Pyongyang, March 19 (KCNA) — "Ours is the people blessed with the great leaders whom they have held in high esteem."

Yi In-mo, known to the world as the incarnation of faith and will, said this, expressing what he has keenly felt for three years since he was embraced in the socialist motherland.

On March 19, 1993, he returned to the Democratic People's Republic of Korea across the Military Demarcation Line, drawing public attention. It was the very day when he completely changed his lot — from the hell on the earth to a paradise.

He is now 79 years old.

During the fatherland liberation war (June 1950-July 1953), he was wounded while active as a war correspondent of the Korean People's Army and captured by the enemy. He had since suffered all sorts of tortures and maltreatment in South Korean prison for 34 years but refused to be converted.

When he crossed the Military Demarcation Line, his health condition was so critical that he was no more than a breathing fossil. South Korean officials concerned had made a medical conclusion that he would die soon after arriving in Pyongyang.

After he was embraced in the DPRK, he has recovered his health, enjoying the same happiness of having great leaders as all the people do.

The great leader President Kim Il-song called at a hospital on April 15, 1993, his birthday, to acquaint himself with the medical treatment of Yi In-mo. He encouraged the patient, saying that he should regain his health as early as possible, and conferred a membership card of the Workers' Party of Korea he himself signed.

The president showed concern about his health and life on more than 300 occasions in one year after he was embraced in the motherland.

The great leader Comrade Kim Chong-il sent a birthday table to Yi on his birthday, the first after his return home.

He provided him with an excellent house with a garden as well as a luxurious car and all other things needed for daily life.

And Yi was invited to the platform at national events including the conference of Korean intellectuals and the national meeting of war veterans.

He was awarded "Order of Kim Il-song" and the title of Hero of the DPRK.

To tell his happiness of being blessed with the great leaders, he contributed lengthy articles twice to NODONG SINMUN under the respective titles "We Are Blessed With Leaders" and "We Are, Indeed, Blessed With Leaders" and presented the respected General Kim Chong-il with a dedicated poem and words of a song "We Will Win as We Are Guided By You."

DPRK: Official Commendations Given to Crew of Trading Freighter

SK1603101696 Pyongyang KCNA in English 1010 GMT 16 Mar 96

[FBIS Transcribed Text] Pyongyang, March 16 (KCNA) — Official commendations and gifts were given to the crewmen of the trading freighter "Yombunjin" and the bereaved family members with due ceremony.

When their ship was wrecked in the East Sea [Yellow Sea] of Korea late in February, the crewmen heroically fought to the last moment of their lives and thus fully demonstrated the high ideological and spiritual world of the Korean people and their noble moral traits.

The great leader Comrade Kim Chong-il highly praised their deeds and bestowed the highest political trust and solicitude upon all of them. And he made sure that the ordinary crewmen would remain long in the memory of the party, the country and the people.

Present at the awarding ceremony were Han Song-yong, member of the Political Bureau and secretary of the Central Committee of the Workers' Party of Korea, officials concerned, the bereaved family members of the deceased, crewmen and employees of the Ministry of Marine Transport.

The title of Labour Hero of the DPRK, Gold Medals (Hammer and Sickle) and the Order of the National Flag First Class to Captain Yi Chong-son, Political Chief Yi Pae-mun and Chief Wireless Operator Pak Kwang-sik and the Order of the National Flag First Class to crewmen were awarded to their family members.

Gifts of Comrade Kim Chong-il and certificates of bereaved families of patriotic martyrs were handed to the bereaved family members.

Speeches were made at the awarding ceremony.

A letter of pledge to Comrade Kim Chong-il was adopted at the ceremony.

DPRK: People's Army Soldiers Visiting Coal Mines, Farms

SK1803085896 Pyongyang Korean Central Broadcasting Network in Korean 2200 GMT 15 Mar 96

[FBIS Translated Text] Upholding the militant task presented in the joint editorial of the party newspaper, the Army newspaper, and the youth newspaper, officers and men of the People's Army are actively helping the struggle for socialist construction to further enrich our country, our fatherland.

Functionaries from many Korean People's Army [KPA] units, including the unit to which Comrade Yi Yong-hwan belongs, the unit to which Comrade Hong Song-yol belongs, and the unit to which Comrade (Sin Tak-kon) belongs, visited coal mines and conducted support work there in a bold manner by mobilizing internal reserves and by enhancing soldiers' positiveness and initiative after having acquainted themselves with the situation there.

This year, too, officers and men of the KPA unit—to which Comrade Kim Tong-sok belongs—which has always helped the difficult and arduous sectors of socialist economic construction as befitting the master, visited coal mines with many props and equipment that they had obtained in their spare time of military service and delivered them to coal miners. They then entered coal mine galleries to help coal miners' work and inspired their production zeal by singing revolutionary songs for them with a view to overfulfilling their coal production quotas. Thus, they further promoted the feeling of unity between the Army and the people.

Military schools of various levels, including Kim Il-song Political College, also sincerely conducted their coal mine support work.

On the occasion of the 50th anniversary of the publication of the overall land reform on 5 March, soldiers of the Korean People's Security Forces [KPSF] unit— to which Comrade Kim Chi-tok belongs— rushed to increase cooperative farm fields and load support materials onto some 120 trucks; and they conducted the work of making rice seedling beds and cultivated field rearrangement work there while waging on-the-spot economic agitation activities.

Soldiers from many units, including the unit of the KPA— to which Comrade (Yi Son-ho) belongs— and the unit of the KPSF— to which Comrade Sin Il-nam belongs— were acquainted with the status of farm preparations in various cooperative farms and examined soil conditions of farm fields. Thus, they actively helped agricultural workers.

DPRK Approval of Environmental Regulations Examined

96P30119A

[FBIS Report] The DPRK State Administration Council (SAC) has approved regulations for the Environmental Protection Law which was enacted in 1986. The ROK Ministry of National Unification (MNU) views this as a reaction to growing international concern over North Korea's pollution problems and as a step taken in preparation for increased foreign investment in the country, according to the 3-9 December 1995 Seoul WEEKLY NORTH KOREAN TRENDS published by the MNU.(1)

In November 1995, the Pyongyang newspaper MINJU CHOSON ran a three-part series explaining the recently approved environmental regulations which consist of five chapters and 55 articles. Chapter one delineates the purpose and importance of the law and general principles for environmental protection, according to the 10 November MINJU CHOSON.(2) The paper stressed that in order to prevent pollution and normalize production, it is critical to make "thorough environmental protection plans" even before production operations begin. Chapter one notes that land management offices and other pertinent organizations in North Korea are tasked with promoting environmental technological exchanges and opposing environmental damage caused by the development, testing, and use of nuclear, chemical, and biological weapons.

The 16 November MINJU CHOSON in Chapter two lists protection measures for nature reserves.(3) The measures include establishing nature reserve areas and special reservations, as well as constructing more recreational facilities and greenbelts. Chapter three deals with pollution prevention and rules for organizations, plants, and workers to abide by. MINJU CHOSON noted that although North Korea has already developed industries without polluting the environment, it should still adopt preventive measures as industrial development is "rapidly progressing."

According to the 19 November MINJU CHOSON, Chapter four contains regulations on environmental guidance and management programs.(4) Under the regulations, the SAC will provide guidance on environmental protection activities nationwide, while pertinent committees, ministries, and other central organs will carry out specific programs. The regulations cover protection standards, architectural consultative provisions, and guidance and inspection measures. Chapter five deals with compensation for environmental damage and sanctions. The paper said that environmental protection efforts can be successful when the legal enforcement of regulations is strengthened along with other protective measures.

According to the WEEKLY NORTH KOREAN TRENDS, the MNU views North Korea's approval of the environmental regulations as a reaction to increasing international criticism of the country's pollution problems which were discussed during the Fourth Northeast Asia Environment Consultation Conference held in September 1995 in South Korea. (1) The MNU believes that the provisions on sanctions and compensation for environmental damage have been formulated to apply to foreign companies rather than domestic factories, in case foreign investment increases in the future.

North Korea's environmental problems have been reported since the 1980's, and serious pollution cases from the early 1990's, the WEEKLY NORTH KOREAN TRENDS said.(1) Examples of pollution cases include: Taedong River, which is "severely polluted" by nitric acid and arsenic released by the Pyongyang Textile Combine and waste water from ore separation at the lead and zinc mines at the upper stream of the river; Tumen River where waste water from the Musan Mine and bleach from the Hoeryong Paper Mill have killed the fish; and Chongchon River in which are found deformed fish because of industrial waste water from the Anju industrial complex and sewage from the Kujang Mine. The inland part of Chongjin reportedly suffers from "serious" air pollution because of toxic gas, such as carbon bisulfide and smoke, from the Kim Chaek Iron and Steel Complex and the Chongjin Chemical Fiber Mill. Chlorine gas and carbon monoxide released by the Hungnam Smeltery and the 8 February Vinalon Complex make it difficult to breathe in the Hamhung area, and the Wonsan area has a "severe" air pollution problem due to sulfurous acid gas and mercury vapor from the Munpyong Smeltery and the Wonsan Chemical Plant, according to the WEEKLY NORTH KOREAN TRENDS.

The MNU has predicted that in spite of the new regulations, results are going to be "very questionable" because North Korea's industrial structure is mainly based on pollution-generating industries. In addition, most industrial facilities in the DPRK are old and do not have pollution prevention equipment, and "serious economic problems" do not allow North Korea from funding pollution prevention measures, the MNU said. Media Sources 1 Seoul WEEKLY NORTH KOREAN TRENDS in Korean 3-9 Dec 95 from the Chollian database 2 Pyongyang MINJU CHOSON in Korean 10 Nov 95 p 2 3 MINJU CHOSON 16 Nov 95 p 2 4 MINJU CHOSON 19 Nov 95 p 2

DPRK: Kim Chung-nin, Chang Chol Attend Tree Planting Rally

SK1603040096 Pyongyang KCNA in English 0346 GMT 16 Mar 96

["Rallies to Plant Trees" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, March 16 (KCNA) — The spring tree planting has started in the Democratic People's Republic of Korea.

Officials of central organs and working people in Pyongyang held a rally in front of May Day Stadium and agricultural working people across the country a rally in Mangyongdae on March 15 and vowed to carry out the tree planting as a mass movement.

The rallies laid stress on planting all kinds of trees throughout the country to increase forest resources and build up villages and streets better on the occasion of the reforestation day and month, true to the behests of the great leader President Kim Il-song and the noble intention of the great leader Comrade Kim Chong-il.

Present at the rallies were secretary of the Central Committee of the Workers' Party of Korea Kim Chung-nin and Vice-premier Chang Chol and other officials.

President Kim Il-song personally planted a tree on Munsu Hill, Pyongyang, on April 6, 1946, right after the liberation of the country, and wisely organised and led a work for the everlasting prosperity of the country.

Comrade Kim Chong-il indicated the direction and way in detail to successfully carry on forest planting and protecting through a nationwide movement and has led it energetically.

Thus, in the DPRK a great turn has been brought about in forest planting and seeding.

Mountains and fields of the country are covered with green woods and streets and villages have been turned into gardens and parks for economic development and for better living condition.

DPRK: More People Volunteering To Move to Rural Areas

SK1803071796

[FBIS Report] The following is a compilation of news reports from Pyongyang Korean Central Television Network in Korean on residents who volunteered to settle down in socialist farms.

At 1100 GMT on 24 February, the television carries a one-minute report on Chon Chong-nam, who worked at an enterprises where Comrade Han Myong-su works, volunteering to advance to Toji Cooperative Farm in Hangu-kuyok, Nampo City, together with his family. Chon Chong-nam is quoted as saying that he has made up his mind to advance to the farm "with the fervent determination to rush to the socialist farm, following the great leader's behest, and to more actively contribute to upholding the party with rice and, thus, to further enriching the socialist fatherland."

At 1100 GMT on 28 February, the television carries a brief report on Chang Song-sil, who worked as a telephone switchboard operator at a unit under the Ministry of Public Security where Comrade Yu Won-pok works, volunteering to advance to Pangso Cooperative Farm in Sosan County.

At 1100 GMT on 1 March, the television carries a brief report on Yim Sun-ran, who worked as a worker at an enterprise where Comrade Yi Chong-sun works, volunteering to advance to Kaepyong Cooperative Farm in Hyangsan County, North Pyongan Province. The announcer says that the respected and beloved leader General Kim Chong-il "bestowed great love and care upon Comrade Yim Sun-ran" after receiving a report on her act.

At 1100 GMT on 12 March, the television carries a three-minute report on a meeting held to convey Kim Chong-il's thank-you letter to Choe Pok-tae, an editor of the Public Organization Publishing House, and his family who will volunteer to advance to Sochon-ri, Koksan County, with "the patriotic zeal to build the mountains of the country into green forests." Choe Pok-tae introduces his wife, son, and daughters and vows to devote his life to building the mountains of the country into green forests. Choe's son and daughters are also quoted as saying that they vow to be loyal to Kim Chong-il by devoting themselves to fostering trees on mountains together with their father, Cho Pok-tae.

At 1100 GMT on 15 March, the television carries an under-minute report on Pak Chun-tok, a worker at the laboratory appliance institute in Kimchaek University, volunteering to advance to the fishery cooperative of Hyangsan County.

At 1100 GMT on 16 March, the television carries a brief report on Kim Chol-su, a researcher at the Central Music Instrument Research Institute under the Ministry of Culture and Art, volunteering to advance to the Silli Coal Mine under Anju District Coal Mine Complex. Kim Chol-su is quoted as saying that he vows to be loyal to Kim Chong-il through his devotion to increasing coal production.

At 1100 on 16 March, the television also carries brief reports on Pak Su-chol, a worker at the prefabricated construction materials plant under Tonggu General Housing Construction Complex, volunteering to advance to the Hungyong Coal Mine under the Kangdong District Coal Mine Complex together with his family; and on Sin Tok, a driver at the Capital Construction Mobile Brigade, volunteering to advance to Yomchon-ri, Chonnae County, Kangwon Province together with his family. The television also carries a brief report on Sin Tok's younger brother, Sin Un-tok, who worked at Mangyongdae School Supplies Plant, and his family, volunteering to advance to Yomchon-ri.

South Korea

ROK Foreign Minister Kong Departs for Trip to PRC, U.S.

SK2003021396 Seoul YONHAP in English
0128 GMT 20 Mar 96

[FBIS Transcribed Text] Seoul, March 20 (YONHAP) — Foreign Minister Kong No-myong flew to Beijing Wednesday for a five-day official visit to China, the first leg of a 10-day trip that will also take him to the United States.

Kong will be in China until Sunday and will meet with Chinese President Jiang Zemin, Prime Minister Li Peng and Foreign Minister Qian Qichen to discuss issues involving North Korea, tensions in the Taiwan Strait and other issues of bilateral concern.

During the meeting with Qian that is scheduled for late Wednesday, Kong and Qian will discuss ways to expedite cooperation in the aerospace, automobile, electronic and high definition television industries, Foreign Ministry officials said.

Kong will also raise issues of concluding a bilateral fishery agreement, fixing Exclusive Economic Zone (EEZ) boundaries and expediting the resolution of the case involving North Korea's alleged kidnapping of South Korean Pastor An Sung-un, an official said.

Kong will meet with Premier Li Peng Thursday and make a courtesy call on President Jiang Zemin Friday.

On Saturday, Kong will travel to Xian, an ancient southwestern city in Shanxi Province.

Kong will fly to New York Sunday where he will give a speech at a luncheon hosted by the Korea Society. The speech will be about opportunities and challenges facing South Korea in the 21st century.

In Washington, Kong is scheduled to meet with Secretary of State Warren Christopher, Defense Secretary William Perry, National Security Adviser Anthony Lake and congressional leaders, to coordinate the positions the two countries will take when dealing with North Korea, which is suffering from an economic predicament that was aggravated by series of floods last summer.

Other issues that will be discussed include revising the Status of Forces Agreement which regulates the legal status of American servicemen positioned in South Korea, and ways to enhance cooperation in the United Nations Security Council (UNSC).

Kong will return to Seoul March 29.

ROK: U.S. Teacher Booked for Violating Immigration Law

SK2003034796 Seoul THE KOREA HERALD in English 20 Mar 96 p 3

[FBIS Transcribed Text] A recent criminal case involving a civilian employee at a U.S. military camp in Pusan has touched off fresh calls for revision of the Status of Forces Agreement (SOFA).

Lonyie Johnson, 62, an instructor at the Pusan American High School in Camp Hialeah, has recently been given warning by the Pusan Immigration Office for his violation of the Korean immigration law.

The office took the step after conducting a probe for nearly a month into the case of Johnson, who was booked early last month for giving illegal private English lessons for children of well-to-do Korean families

The office has come under criticism by the news media, which charged that the immigration authorities had exempted the American from criminal punishment out of concern over possible frictions with the U.S. military authorities

Immigration officials in the city also said they were not satisfied with the "lenient" step, observing that they had followed instructions from the Justice Ministry.

After Johnson was booked, the Pusan Immigration Office was told by the ministry that it could not seek criminal punishment for him because of SOFA stipulations.

The ministry pointed to a SOFA clause which says, "Members of the U.S. armed forces, the civilian component, and their dependents shall be exempt from laws and regulations of the Republic of Korea on the registration and control of aliens."

Officials at the Pusan office expressed frustration, admitting that the measure against Johnson was "too light" in comparison with punitive steps taken in similar cases involving ordinary foreigners.

They noted that foreign nationals are subject to punishment ranging from fines to deportation if found caught conducting activities violating the immigration law.

The officials observed that the problem is partly related with the ambiguity of the SOFA clause in question.

"The clause should be interpreted to mean that it absolves U.S. servicemen and civilian employees only from the duty of alien registration," said investigator Yi Chong-u. "I don't think that it applies even to criminal acts."

Terming the clause one of the "unequal clauses," he emphasized that it must be corrected in the ongoing talks between the two governments on SOFA revision.

He noted that not a single U.S. serviceman or a civilian employee violating the Korean immigration law has been subject to criminal punishment over the past three decades.

"We have delivered our position to the pertinent authorities on the need to rewrite the clause but they do not seem to pay much attention," Yi said.

Johnson had taught Korean children by visiting their homes for about two years. He received 100,000 won to 500,000 won per person a month, according to the immigration office.

ROK: PRC Ambassador Interviewed on Taiwan Crisis

SK2003103396 Seoul CHOSON ILBO in Korean 19 Mar 96 p 10

[Interview with Zhang Tingyan, PRC ambassador to the ROK, by reporter Chong Ung-ki; date, place not given; first two paragraphs are editorial introduction]

[FBIS Translated Text] For 11 days now, as of 18 March, tensions have been rising between the two sides of the Taiwan Straits following the start of the PRC's missile exercises in the waters off Taiwan. CHOSON ILBO met with PRC Ambassador to the ROK Zhang Tingyan, 60, and head of the Taipei Mission in the ROK Lin Tsun-hsien, 66, to directly hear from them the respective positions of the PRC Government and the

Taiwan authorities on the tensions created between the two sides of the straits. The PRC Government's position is carried first.

Ambassador Zhang Tingyan graduated from Beijing University and began work at the PRC Ministry of Foreign Affairs in 1958. Since then he has worked in the diplomatic arena for 38 years. He worked at the PRC Embassy in Pyongyang for 14 years. He came to Seoul in 1992 as the first PRC ambassador to the ROK.

[Chong Ung-ki] Tensions are mounting in East Asia due to the PRC's missile firing exercise aimed at the waters of Taiwan. What is the purpose of the exercise?

[Zhang Tingyan] As Premier Li Peng has explained, the Army, Navy, and Air Force joint exercise, which will continue until 25 March, is a normal military drill to promote military mobilization and operational capabilities.

[Chong] I think the current exercise is aimed at making President Li Teng-hui of Taiwan fail to win, or at lowering the rate of voter support for him in the presidential election slated for 23 March. What do you say?

[Zhang] This is groundless and is nothing but speculation. The exercise is not aimed at Taiwan, but is a normal military exercise. Our government's position toward the Taiwan issue is the same as what our government proposed 10 years ago — that is, "peaceful reunification" and "one country-two systems."

[Chong] However, simultaneously with the current military exercise, RENMIN RIBAO and JIEFANG JUNBAO in Beijing are bitterly denouncing President Li Teng-hui.

[Zhang] That is because these newspapers do not agree with Mr. Li Teng-hui's assertion on the need for Taiwan's independence. Not all Chinese, including residents in Taiwan, support Taiwan's independence. Taiwan is a territory of China. It is the same now as it was in the past. The PRC is the only legal government in China. The Taiwan issue is an internal problem of China. Some world opinion has a "misunderstanding" of the PRC's current military exercise. This is because world opinion does not know that the Taiwan issue is an internal problem of China.

[Chong] What is the difference between the PRC Government's policy toward Taiwan and the policy line of President Li Teng-hui of Taiwan?

[Zhang] Our policy is "peaceful reunification" and "one country-two systems." This policy fully reflects the realities of both the PRC and Taiwan. In other words, the policy seeks to maintain socialism on the mainland and capitalism in Taiwan. It allows Taiwan to maintain administrative, economic, and even military management of its affairs. In a nutshell, our policy is a flexible and realistic policy which does not force Taiwan to adopt our system but instead respects Taiwan's system to the maximum.

President Jiang Zemin declared this principle in January 1995. However, the Taiwan authorities did not respond to this. Rather, they are fabricating "two Chinas" and inspiring Taiwan's independence. Mr. Li Teng-hui has been more actively fabricating "one China and one Taiwan" since he visited the United States in 1995. The United States has been supporting this. This is precisely the primary cause of tensions between the two sides of the Taiwan Straits and what is destroying peace there.

[Chong] Taiwan claims that the Nationalist Party, the Kuomintang, led by President Li Teng-hui, has so far never sought independence for Taiwan.

[Zhang] Li Teng-hui's acts are directed essentially toward Taiwanese independence, though he has not openly expressed support for "Taiwan's independence." This is proven by his activities for Taiwan's reentry into the United Nations. Taiwan is not a "state." So, it is not eligible for membership in the United Nations. Nevertheless, Mr. Li Teng-hui has said he will make efforts to join the United Nations even if he needs $1 billion to do so.

When he visited the United States, Li Teng-hui stressed in a speech the "need for promotion of the position of the Republic of China and for its international activities." Not only Li Teng-hui, but also the opposition parties in Taiwan seek Taiwan's independence. Therefore, if Li Teng-hui stops his activities for Taiwanese independence and if outside forces do not support his activities, the tensions in the Taiwan Straits will be alleviated.

[Chong] If Taiwan continues in its present policy, will the PRC take military action against Taiwan?

[Zhang] So far, we have declared to the world that we will resolve the Taiwan issue according to peaceful principles. If Taiwan declares its independence or if outside forces infiltrate into Taiwan, we will take all necessary actions. We have never said that we would not use force of arms to settle the Taiwan issue.

[Chong] The United States is intervening in the relations between the two sides of the straits by dispatching aircraft carriers there pursuant to the "Taiwan Relations Act," following the start of your country's military exercise.

[Zhang] The intervention by the United States is interference in our domestic affairs. Therefore, it is not a wise measure because such an intervention by the United States may be interpreted as sending to Taiwanese leaders a message that "the United States supports Taiwan's independence." In this case, relations between the two sides of the Taiwan Straits will become more complicated and lead in a more dangerous direction. In fact, if there had been no U.S. support for Taiwan, [China's] reunification could already have been achieved.

There was a chance to reunify Taiwan right after the PRC was founded in 1949. But that chance was missed because the U.S. Seventh Fleet moved into the Taiwan Straits. The present tensions between the two sides of the straits, as well, is mainly due to the U.S. support for Li Teng-hui's activities.

[Chong] Is the PRC considering risking a military conflict with the United States to settle the Taiwan issue?

[Zhang] We do not want military conflict with the United States. If the United States does not meddle in the Taiwan issue, relations between the PRC and the United States will take a turn for the better. We do not want relations between the PRC and the United States — which have been improving thus far — to meet difficulties because of the Taiwan issue.

[Chong] It seems that the tensions between the two sides of the straits are having an adverse effect on the PRC's economic development. What do you have to say about that?

[Zhang] The PRC's reform and opening up will continue to be pushed ahead. Economic exchanges between the two sides of the straits are being properly carried out. Last year the trade volume between the two sides reached $20 billion, and Taiwan went into the black by $10 billion last year. Last year about 1,500,000 people from Taiwan carried out economic activities on the mainland. Taiwanese businessmen's activities in the mainland will be treated favorably in the future, too.

[Chong] Against the backdrop of the current crisis in the straits, neighboring countries are worrying over the PRC's military "hegemonism."

[Zhang] The Taiwan issue is purely a domestic affair of our country. Therefore, we may employ all means necessary to protect the country's sovereignty and territory. However, relations with other countries are different. Hegemonism brings nothing but groundless apprehensions. We appreciate that the ROK has adhered to the "one China" policy since it established diplomatic relations with the PRC. We hope that the ROK Government and people will understand and support our position regarding the Taiwan issue.

ROK, PRC Foreign Ministers Discuss Koreas, Taiwan

SK2003105196 Seoul YONHAP in English
0925 GMT 20 Mar 96

[FBIS Transcribed Text] Beijing, March 20 (YONHAP) — South Korea and China on Wednesday agreed on the need to promote inter-Korean dialogue and exchanges with a view to enhancing peace and stability on the Korean Peninsula.

Visiting Korean Foreign Minister Kong No-myong and his Chinese counterpart, Qian Qichen, agreed during their meeting to strive to promote substantive industrial cooperation between their countries and see to it that a bilateral fishery agreement be signed soon.

Kong arrived here earlier in the day for a five-day official visit.

Meeting at the Diaoyutai guest house here where Kong is staying, the two ministers agreed to have further talks on the question of announcing their respective exclusive economic zones.

South Korea and China differ substantially on the boundaries of their exclusive zones.

Minister Qian emphasized that there is no change in Beijing's Taiwan policy. He asserted that the present China-Taiwan tension stems from Taiwan's pursuit of "two Chinas" or "one China and one Taiwan."

The Korean foreign minister called for peaceful resolution of the tension, pointing out that the Taiwan Strait tension cannot be of any help to peace and stability in the Asia and Pacific region.

Minister Kong also suggested that South Korea and China exert joint efforts to better ensure stability in the Asia-Pacific region.

ROK: KEDO Plans Apr Follow-Up Protocol Meeting With DPRK

SK2003020396 Seoul YONHAP in English
0102 GMT 20 Mar 96

[FBIS Transcribed Text] New York, March 19 (YONHAP) — The Korean Peninsula Energy Development Organization (KEDO) is planning to start its negotiations with North Korea on a follow-up protocol to the light-water reactor supply agreement in New York during the second week of April.

The plan was revealed by Chang Sun-sop, administrator of the South Korean office of planning for light-water reactor project and a member of the KEDO executive board, after a KEDO executive board meeting was concluded Tuesday afternoon.

"If North Korea does not raise any objection, we will seek to hold the first meeting on the follow-up protocol in KEDO's New York Headquarters during the second week of April. The venues and timing of subsequent negotiations will be discussed in the meeting," Chang said.

As to the issue of expanding the KEDO, Chang said that no decision was made about the proposed admission of the European Union and the association of Southeast Asian nations.

"South Korea, the United States and Japan have agreed to actively promote their admission if and when they commit to a sizable financial contribution for a number of years," Chang said.

The biggest problem facing KEDO, according to Chang, is how to finance the 500,000 tons of heavy oil it is obligated to provide to the North every year.

"The United States will continue to be responsible for heavy oil financing, and South Korea will render support from the side," Chang said.

ROK: KEDO Heavy Oil Departs for North Korea 20 Mar

SK2003063696 Seoul KBS-1 Radio Network in Korean 0600 GMT 20 Mar 96

[FBIS Translated Text] An oil tanker carrying 22,000 tonnes of heavy oil, which is provided by the Korean Peninsula Energy Development Organization [KEDO] to North Korea, left Yochon Port of South Korea at 1100 on 20 March. The Chinese oil tanker (Yihae) will arrive at Sonbong Port of North Korea around 1100 on 22 March.

The second shipment of 20,000 tonnes of heavy oil will be delivered to North Korea around 26 March.

ROK: UN Secretary-General Willing To Mediate Between ROK, DPRK

SK2003022296 Seoul YONHAP in English 0131 GMT 20 Mar 96

[FBIS Transcribed Text] Tokyo, March 20 (YONHAP) — United Nations Secretary-General Butrus Butrus-Ghali said he is willing to play a mediatory role for the resumption of inter-Korean dialogue for peaceful reunification of the peninsula if so requested by Seoul and Pyongyang, THE YOMIURI SHIMBUN reported Wednesday.

Butrus-Ghali made the remarks in an interview in Geneva with the Japanese daily Monday. He also cited his efforts for an inter-Korean summit in 1993, when tensions on the Korean peninsula were running high in light of North Korea's suspected nuclear arms program.

The top UN official is scheduled to visit China, South Korea and Japan next week.

He added that UN Development Program offices in Seoul and Pyongyang may become bases contributing to the progress of South-North Korean dialogue.

ROK: Large Numbers of Counterfeit Dollars Found; DPRK Suspected

SK1903124596 Seoul YONHAP in English 1142 GMT 19 Mar 96

[FBIS Transcribed Text] Seoul, March 19 (YONHAP) — South Korea may be one of favorite counterfeit laundry yards as growing amounts of bogus dollars have been found in the country in the past couple of years, the Agency for National Security Planning (NSP) said Tuesday.

An NSP official said the counterfeit U.S. dollars detected in the country totaled 73,950 dollars last year, more than a three-fold increase over the previous year.

He attributed the rising influx of bogus dollars to the free use of foreign exchanges in the country under the foreign exchange liberalization policy and the lack of the ability among foreign exchange handlers at banks, hotels and tax-free shops to discern counterfeits.

The official said even a "super note" bill was found in Korea in early 1994.

The "super notes" refer to the counterfeit U.S. dollars made so exquisitely that it can hardly be distinguished from the genuine dollar even by an expert.

"The 100-dollar bill used by an unidentified foreigner at a Seoul hotel in January 1994 turned out to be a super note," he said.

Noting that the world's counterfeit agents suspect North Korea or a Middle East country may be the producer of "super notes," the NSP official said his agency is discussing other government offices ways to effectively keep "super notes" and other counterfeits from entering the country.

ROK: Aluminum Shipment From Russia To Help Pay Off Loans

SK2003110396 Seoul YONHAP in English
0829 GMT 20 Mar 96

[FBIS Transcribed Text] Seoul, March 20 (YONHAP) — A South Korean freighter carrying 1,000 tons of aluminium worth 1.6 million U.S. dollars from Russia arrived in Pusan Tuesday afternoon.

The cargo was part of the 12,000 tons Russia agreed last July to deliver as a means of repaying loans it borrowed from South Korea, according to the Finance and Economy Ministry.

Two more shipments of 5,000 tons each are slated to arrive here in April, with the final shipment of 6,000 tons being delivered in May, ministry officials said.

South Korea extended 1 billion dollars in bank loans and 470 million dollars in commodity loans to the former Soviet Union in 1991, but has been repaid only 51.1 million dollars in interest since May 1993.

Russia has agreed to pay part of the principal and interest on the loans in kind with military hardware and industrial materials, but has so far delivered seven helicopters worth only 14.8 million dollars.

ROK: Brazil Tariffs on Imported Auto Parts 'Discriminatory'

SK2003105896 Seoul YONHAP in English
0739 GMT 20 Mar 96

[FBIS Transcribed Text] Seoul, March 20 (YONHAP) — South Korea Wednesday expressed deep regret over Brazil's recent decision to impose discriminatory tariffs on South Korean and other imported automobiles parts, Foreign Ministry spokesman So Tae-won said.

At a World Trade Organization (WTO) meeting in Geneva, Ambassador Son Chun-yong at South Korea's permanenent representative office for the United Nations in Geneva was also quoted by So as demanding that Brazil scrap the measure, insisting that the measure apparently violates WTO regulations banning preferential or discriminatory tariffs on imports.

Japan and Canada joined forces with South Korea to call on Brazil to repeal the discriminatory tariffs which have slowed the shipment of foreign-made automobile parts to the South American state — including those from Korea — to a trickle, the spokesman said.

The Brazilian Government cited a burgeoning trade deficit when it announced its intention last summer to restrict the number of foreign automobile parts imported. It abandoned the policy months later in the face of strong criticism from abroad, but established similar guidelines last December which gives preferential treatment to domestically made automobile parts.

ROK: Egyptian Foreign Minister Comments on ROK Visit

SK1903072196 Seoul YONHAP in English
0640 GMT 19 Mar 96

[FBIS Transcribed Text] Seoul, March 19 (YONHAP) — Egyptian Foreign Minister 'Amr Musa, wrapping up his three-day official visit here, said Tuesday that his "very fruitful" trip would mark a constructive and enhanced phase of Korean-Egyptian relations, particularly in economic field.

"Korean investments now in the Egyptian economy have started to be significant," Musa said in a press conference at the Hyatt Regency Hotel in downtown Seoul.

"But, of course, we are looking forward for more joint ventures benefiting from the economic reforms of Egypt, which is now emerging as one of the strong economies of the Middle East."

The first ever Egyptian foreign minister to visit South Korea, he boasted that Seoul and Cairo's goal to increase bilateral investment and trade to 1 billion U.S. dollars, given the brisk pace of the global economy and Egypt's reforms, could be reached within one or two years.

Musa said he conveyed a written message from Egyptian President Husni Mubarak to President Kim Yong-sam which said that Cairo is "determined to form a strong relationship with Korea." The foreign minister added that plans for a Seoul visit by Mubarak are currently being made.

The Cairo official responded briefly and somewhat vaguely as to how his nation's improved ties with Seoul would affect its traditionally close relations with North Korea.

He did say, however, that ties between Cairo and Pyongyang "should be geared towards peaceful existence and more positive relations in this country, and if we can help, we will help in this direction," Musa said.

He said the strength of economic reforms is essentially derived from opening up the economy to overseas investors and the strong role of the private sector, both of which Egypt is now doing. Such reforms include the sale of land to foreigners and a 10-year tax exemption for investors, he added.

South Korean Government and business leaders have been invited to attend a regional economic summit in Egypt in November, he added.

Prior to the conference, Musa was given a diplomatic award by President Kim.

ROK: Ecuador To Scrap 40-Percent Tariff Hike on ROK Textiles

SK1603023596 Seoul YONHAP in English 0215 GMT 16 Mar 96

[FBIS Transcribed Text] Seoul, March 16 (YONHAP) — The Foreign Ministry said Saturday that Ecuador will scrap its 40-percent tariff increase on South Korean textile products beginning next month.

Since last December, Quito has imposed a 60-percent tariff on such imports from South Korea, China, Hong Kong, Taiwan and Panama in order to protect its domestic textile industry.

The South American nation normally levies a 20 percent tariff on textile imports.

Seoul had lodged a strong protest Friday against the increased tariff with the market access committee of the World Trade Organization, demanding that the hike be rescinded.

South Korean exports to Ecuador totaled 11 million U.S. dollars in 1995 and 10 million dollars in 1994.

ROK Assesses Developments in 1979 Army Mutiny Trial

SK2003070396 Seoul YONHAP in English 0558 GMT 20 Mar 96

[Article by Kim Myong-chol: "Prosecution Faces Many Hurdles in Court Debate Over Mutiny Charges"]

[FBIS Transcribed Text] Seoul, March 20 (YONHAP) — "We've just got over one hurdle and we still have many more to get over," said a prosecution official Tuesday.

On Monday, the prosecution had a heated debate with former President Chon Tu-hwan and other defendants before judges in the second session of the trial of the army mutiny spearheaded by Chon on Dec. 12, 1979.

After the courtroom debate, prosecutors appeared to heave a sigh of relief amid lingering sense of uneasiness.

A sigh of relief because they believed that the debate had "completely disarmed them" in a way that made the defendants' rhetoric appear unconvincing.

But they are not completely free of uneasiness because they were not able to get the defendants to "surrender." Questioning by the prosecution has yielded three important statements from the defendants thus far.

First, ex-President No Tae-u, who was also a key player in the rebellion, testified that the mutiny leaders planned to apprehend Army Chief of Staff and Martial Law Commander Chong Sung-hwa first and then obtain President Choe Kyu-ha's ex post facto approval. This can be used as hard evidence of mutiny since Chong was Chon and No's direct superior according to the army chain of command at the time.

Second, defendants Hwang Yong-si and Yu Hak-song said President Choe "refused" to approve of Chong's arrest. They had previously said the president "shelved" his decision. This means, in effect, that President Choe had to approve the arrest of the martial law commander at least against his will.

Third, Chon, while explaining his reasons for not reporting his plan to arrest Chong to President Choe in advance, used the words, "the vacuum of power," indicating that he had treated President Choe as a mere figurehead.

The prosecution was able to elicit testimony supporting the mutiny charges because Chon was the fourth witness questioned, rather than the first, prosecutors said.

The prosecution has also acquired one of only three copies of a book published by the Defense Security Command in 1982, that highlights the "meritorious" services rendered by Chon and his associates during the founding of the Fifth Republic.

Chon has another copy, and the third copy has not yet been discovered.

The book reveals that Kim Chin-son, former situation room officer at the Capital Garrison Command, received orders from No Tae-u, commander of the Ninth Army Division, directing him to arrest his superior officer Garrison Commander Chang Tae-wan.

But the prosecution was perplexed by Chon's testimony that he, as the officer in charge of investigating President Pak Chong-hui's assassination, had reported several times to Defense Minister No Chae-hyon about the possibility of apprehending Martial Law Commander Chong in connection with the assassination, and as head of the Defense Security Command, he had simply done what was required "to protect the government from a rebellious plot in the situation where the army's command post was rendered powerless."

Chon said he had obtained approval for his actions through the "side command channel" of the armed forces which included the vice defense minister at the time.

The prosecution, however, had Defense Minister No's testimony indicating that he had never approved Chon's plan to arrest Martial Law Commander Chong.

Chon's claim that the army's command post was rendered powerless after Chief of Staff Chong's arrest was therefore untrue, because the vice chief of staff functioned at that time as the acting chief of staff.

And Chang Se-tong, commander of the 30th security group of the Capital Garrison Command who sided with Chon's mutinous troops, said "If street fighting had taken place, we would have won."

ROK Lawmaker Refutes Ex-President's Remarks on 'Hanahoe'

SK2003072796 Seoul YONHAP in English 0608 GMT 20 Mar 96

[FBIS Transcribed Text] Seoul, March 20 (YONHAP) — "Hanahoe," a private club of Korean Military Academy (KMA) alumni formed by former president Chon Tu-hwan while he was in the army, has a total of 469 members, not 30 to 40 as Chon asserted Monday at his treason trial, an opposition lawmaker claimed Wednesday.

"The membership of Hanahoe, encompassing those both on active duty and reserve status, was 469 as of the end of last September," Rep. Kang Chang-song of the minor opposition Democratic Party (DP) said. "Of them, approximately 200 members, including 28 generals, are now on active duty," he added.

The figure broke down to 230 members of Hanahoe, which consists of KMA alumni of the 11th through the 20th graduating classes, 107 members of "Mannahoe," comprised of graduates of the 21st through the 33rd classes, and 132 members of "Aljahoe," comprised of graduates of the 34th through the 43rd classes, according to Kang.

Both former President Chon and his immediate successor No Tae-u were members of the 11th class.

Formerly commander of the Defense Security Command, Rep. Kang is the chairman of the DP's "committee for probing into corruption committed under the Fifth and Sixth Republics."

Kang also refuted Chon's allegation that Hanahoe was purely a friendship club.

"Hundred percent of Hanahoe members of the 11th through 28th classes, numbering around 10 per class, were promoted to generals, while only 5.2 percent of non-members of KMA classes became general-grade officers," Kang asserted.

"Twenty-eight or 78 percent of the 36 major participants in the 1979 military coup holding the rank of battalion commander or above were Hanahoe members."

The probe committee's study has revealed that the slush fund Chon and No stashed while in office totaled over 3 trillion won (3,841 million U.S. dollars), 1.8 trillion for Chon and 1.2 trillion for No, Kang told reporters.

A special law should be legislated to have the illicitly accumulated fortunes reverted to the national treasury, Kang added.

ROK: NKP's Yi Hoe-chang Remarks on Postelections Situation

SK2003032596 Seoul YONHAP in English 0226 GMT 20 Mar 96

[FBIS Transcribed Text] Tokyo, March 20 (YONHAP) — Yi Hoe-chang, chairman of the ruling New Korea Party (NKP)'s election campaign committee, said on Wednesday that current political circles may be reorganized after the upcoming general elections, a Japanese newspaper reported.

According to YOMIURI SHIMBUN, Yi expects that if the ruling NKP secures more than half the parliamentary seats, then the opposition parties may experience a significant shake-up. As a result, he reportedly said, the era of "three Kims politics" will not continue unchanged.

The three Kims are President Kim Yong-sam who is also president of the NKP, Kim Tae-chung, president of the main opposition national congress for new politics and Kim Chong-pil, president of the minor opposition United Liberal Democrats.

"If the ruling party fails to win more than half the parliamentary seats in the April 11 elections, then it may also change," Yi was quoted as saying. However, he declined to comment on details of the possible reorganization, and only said that it is very difficult to predict the reorganization scenario.

Yi, former judge and prime minister, also expected that the reform policy will continue after the elections.

"Even if the ruling party fails to win more than half the seats, President Kim and the NKP will continue to push reforms as the basis of stability," he was quoted as saying.

He suggested that the ruling party is studying ways to cope with allegations from opposition parties that President Kim received a huge amount of "presidential election campaign money" from ex-President No Tae-u for the 1992 election.

"I think that the ruling party should clearly respond to such an assertion in light of the principle that the truth should be uncovered," he said.

ROK: Democratic Party 'Will Not Join' NKP After Elections

SK2003033996 Seoul THE KOREA HERALD in English 20 Mar 96 p 2

[FBIS Transcribed Text] Leaders of the minor opposition Democratic Party (DP) said yesterday that they will not join hands with the ruling party in a political realignment after the April general elections.

Instead, they vowed that they will take the lead in the expected political realignment, which they said will center around an alliance of democratic reformist forces.

"Our party will not seek a merger or an alliance of any kind with the ruling New Korea Party or other opposition parties, which are led by the three Kims," Choe Chong-ku, party secretary-general, said.

Choe said his party will push for the union of reformists in a political realignment.

Choe's remarks came at a time when some ruling party leaders are predicting a major political reshuffle after the parliamentary elections, in which no party is expected to clinch a majority of seats at stake.

Ruling party Chairman Kim Yun-hwan recently said that a new party of conservatives should be created in a political realignment if his party fails to win 120 of the 253 popularly elected posts.

Another ruling party leader also claimed that reformists in his party will lead an alliance with reform-minded forces in other parties.

It has long been speculated that the Democratic Party, a weak opposition group, will seek a merger with the ruling party after the April vote.

"Rumor has it that our party will collapse after the elections. That's groundless. It's the ruling party that will face disintegration," Choe, the DP's secretary-general, said in a morning press conference called to adopt a party declaration on "the new political leaders of the 21st century."

In the declaration, Choe and his supporters in the party said that without putting an end to the political dominance by the three Kims, Korea would remain a politically backward nation in the next century.

But some party watchers say that the DP's vowed leadership in the political realignment after the April elections may reflect its struggle to increase enhances of winning the elections.

The minor opposition party is vowing to win more than 60 parliamentary seats. But some political analysts suspect it may not be able to form a parliamentary negotiating group, which requires a minimum of 20 seats.

It is also said that the declaration by the Choe group may be a show of force in an internal power struggle with the faction led by Rep. Yi Ki-taek over party leadership that could surface after the April elections.

Some party members question. Yi's leadership, who is being dogged by an accusation that he pocketed money donations made to the DP in the last general elections.

The Choe group denied a fractional conflict exists within the party.

"Our declaration is not a challenge to party leadership," said a party member who joined Choe in the press meeting.

ROK Finance Ministry Plans To Lower Securities Transaction Tax

SK2003040196 Seoul THE KOREA HERALD in English 20 Mar 96 p 9

[FBIS Transcribed Text] In a bid to prop up the sagging stock market, the government plans to lower the securities transaction tax to 0.3 percent of the transaction value from the current 0.45 percent starting next month, the Ministry of Finance and Economy said yesterday.

The securities transaction tax is composed of a 0.3 percent basic rate and a 0.15 percent special agricultural tax, with the basic rate to be reduced by 0.15 percentage points, the ministry said.

The tax cut is expected to result in a decrease of about 200 billion won in tax revenues between May and December this year, it added.

A ministry official said the move is designed to help stabilize the local stock market and be in line with a global trend toward lowering securities transaction taxes.

Since late October last year, the local bourse has been in the doldrums and investors have long waited for government's market-boosting steps.

The Stock Market Stabilization Fund was recently rumored to start massive buying to boost the sluggish market but it failed to intervene, further dampening investor confidence. The fund is a pool of money put up by financial firms, listed companies and pension funds to correct a supply-demand imbalance in the market.

The official added that the government is also considering raising a fee which securities companies pay for their use of customers' deposits, hinting the government may come up with an additional market-boosting step if the cut in the securities transaction tax failed to serve its purpose.

Currently, brokerage houses pay an annual 5 percent fee on the use of money which their customers deposit at the firms for the transaction of securities.

Meanwhile, the Korea Securities Finance Corp. announced yesterday that it will make loans of about 500 billion won to would-be investors through securities companies from next Friday.

Pending an approval from the Securities and Exchange Commission which convenes March 29, the securities finance company will resume the extension of such loans in 10 years.

The government ordered the company to stop providing the loans in March 1986 to cool down the then overheating stock market.

ROK: Kim Yong-sam Urges Cabinet To Help Automate Small Factories

SK2003105696 Seoul YONHAP in English 0655 GMT 20 Mar 96

[FBIS Transcribed Text] Seoul, March 20 (YONHAP) — President Kim Yong-sam told the Cabinet Wednesday to increase assistance to projects involving the automation of small-and medium-sized factories and provide more financial aid for those starting promising small businesses to help increase the industry's international competitiveness.

Speaking at a meeting of ministers involved with small business issues, the president also stressed the need for increased government support for restructuring programs aimed at reviving viable but declining small and medium-sized businesses.

Among those attending the meeting were Finance and Economy Minister Na Ung-pae, Trade, Industry and Energy Minister Pak Chae-yun, Labor Minister Chin Nyom, Construction and Transportation Minister Chu Kyong-sok, Fair Trade Commission Chairman Kim In-ho and Small Business Administrator Yi U-yong.

Commending the Administration of Small Business (ASB) for its achievements in the month since it was founded, Kim said the ASB should establish a system to deal with problems facing small businesses at the provincial office level.

He then instructed the Fair Trade Commission to enhance its control of the unfair trade practices large companies engage in.

All related ministries should cooperate with the ASB in a way that allows it to fully discharge its responsibility as the sole supporter-supervisor of small- and medium-sized industries, Kim stressed.

Finance and Economy Minister Na briefed the meeting about his ministry's support program for the small-and medium-sized businesses, which includes a value-added tax break for small enterprises receiving bad checks for products and services, beginning in July.

ROK: Samsung, Hyundai To Bid for PCS License Together

SK1603035296 Seoul THE KOREA TIMES in English 16 Mar 96 p 8

[Report by staff reporter Chae Hui-muk]

[FBIS Transcribed Text] Two top Korean business giants, Samsung and Hyundai, have agreed to join hands in the bidding for the one personal communication service (PCS) license.

In a joint press conference, Namgug Sok, president of Samsung Data Systems Co., and Kim Chu-yong, president of Hyundai Electronics Industries Co., announced yesterday that the two companies have reached an agreement on a tie-up in the PCS project

The two executives said that Hyundai and Samsung will each have 20 percent equity stakes in the consortium to be set up for the PCS project with 30 percent going to medium-sized firms and the remaining 30 percent to small companies. Foreigners will not be invited to the consortium, they said.

They said that they will form a consortium with some 100 medium-sized and small business partners in the parts manufacturing and telecom services sector. "However, any partner involved in the two companies will be allowed to remain in the new confederated consortium," Namgung said, adding that some natural dropouts are expected.

"If the PCS license is won, the groups will set up an independent corporation which will be led by a specialist manager chosen from one of the two business conglomerates," Namgung told reporters.

The two executives said, "We decided to join hands because we are strong in the financial aspect and competitive in overseas markets." The two firms have developed a CDMA (code division multiple access) digital cellular system and phones, requirements for the PCS.

The two groups will positively transfer technology and know-how in the telecommunications equipment and services sector to the consortium partners, they said.

On the other hand, the LG Group has decided to push ahead with its position to independently apply for the license, an LG official said.

Daewoo, another of the Big Four telecom equipment manufacturers that proposed a grand consortium with the other three for the one ticket last Friday, two days after the government announced a revised PCS license guideline, has yet to decide whether it will pursue the ticket independently.

The government revised the guidelines on the issuance of the three PCS licenses last Wednesday—one to the consortium led by Big Four telecom equipment manufacturers, one to the consortium led by non-manufacturers and the third to a subsidiary to be formed by Korea Telecom.

In the non-manufacturers' division, Dacom Corp. has given up its independent application and is seeking a partnership with other applicants.

Now, three medium-sized business groups, Kohap, Anam and Hanhwa, have decided to join the consortium to be set up by the Hansol Group, which has had trouble in the PCS license race due to a bribery scandal. A ranking official of the Fair Trade Commission was charged with having received 32 million won from Hansol Paper's top manager Wednesday.

The other major competitors in the non-manufacturing sectors are Kumho, Hyosung and the Korea Federation of Small Business.

ROK: Bus Drivers Decide To Go on Strike 20 Mar

SK1603035196 Seoul THE KOREA TIMES in English 16 Mar 96 p 3

[FBIS Transcribed Text] Unionized bus drivers in six major cities, including Seoul and Pusan, resolved yesterday to go on strike beginning Wednesday for their pay raise demand has not been accepted. They decided on the walkout through votes conducted at each union branch in the cities.

The bus drivers' unions have a total of 36,000 members, nearly 90 percent of whom voted for the strike. However, bus companies maintained that any raise would be impossible without increase in fares. The unions are demanding an average increase of 14 percent and a 100-percent bonus raise.

An official at Seoul City Hall said, "The principle is that labor and management should strike an agreement first (on the pay raise rate) and discuss the question of increasing fares later."

ROK: Marine Oil Contamination Prevention Association Created

SK1603014996 (Internet) The Chungang Ilbo WWW in English 16 Mar 96

[FBIS Transcribed Text] The Korea Marine Oil Contamination Prevention Association held its inaugural plenary session at the Korea Oil Association on March 15.

The Association will take charge of formulating preventive measures for sea contamination by oil. The five oil companies including Yukong which attended the session as founding member companies, will hold a plaque-hanging ceremony on April 1.

ROK Government Strengthens Consumer Compensation Rules

SK2003023296 Seoul THE KOREA TIMES in English 20 Mar 96 p 9

[FBIS Transcribed Text] The government yesterday strengthened rules on the compensation producers have to make to consumers when their products are unsatisfactory.

Travel agencies, for example, when they suddenly cancel overseas trips on the dates of departure, now have to pay half of the other travel expenses their frustrated customers have paid, in addition to refunding the full cost of the tours they have charged them.

When makers of such home appliances as TVs, refrigerators, VTRs, and electric rice cookers are unable to provide replacement parts to consumers during legally-designated periods, they also must pay compensation, it said.

Real estate brokers are now strictly barred from receiving commissions beyond the legally designated amount and will be liable for all the losses that buyers and renters of homes sustain due to faulty contracts, it said.

Department stores and merchandisers are legally unable to reject gift certificates even during discount sales periods. Photo shops are obliged to keep the original film of their customers for one year. Buyers of cloth and suits are able to ask for cash refunds within seven days of their purchase when the cloth and suits they buy are not satisfactory and their merchandisers are unable to provide the same type of cloth or suit in replacement, it said.

The ministry said swimming pools, golf practice ranges, leisure facilities, including condominiums, gift certificate providers and massage machine renters have been added to the list of services subject to the rules on consumer compensation.

ROK: 1,000 Foreign Workers To Be Assigned to Coastal Fishing

*SK2003110096 Seoul YONHAP in English
0743 GMT 20 Mar 96*

[FBIS Transcribed Text] Seoul, March 20 (YONHAP) — One thousand foreign workers will be assigned to coastal fishing vessels during the first half of the year in an effort to alleviate the fishing industry's manpower shortage.

The Fisheries Administration said Wednesday that the Justice Ministry has approved of its plan to assign 1,000 of the 20,000 overseas industrial trainees to be brought into the country this year to duties aboard fishing boats on a trial basis.

Should the fisheries circles respond favorably and foreign crewmen adapt themselves well, the administration plans to increase the number of such workers on a per-year basis.

The actual number of offshore fishing workers will fall 10,572 short (20 percent) of the 51,488 needed this year, according to the administration.

ROK Editorial Criticizes Government's Dress Code Liberalization

SK2003022796 (Internet) The Digital Chosun Ilbo WWW in English 1202 GMT 19 Mar 96

[Editorial: "Liberalization of Official's Dress Code"]

[FBIS Transcribed Text] The measure to liberalize the Ministry of Government Administrations's dress code has gone too far. The ideal of "self-regulation" has become "total liberalization" and the Ministry is leading the "destruction of the dress code".

Whatever the code, there will be no cause for dispute if officials continue to maintain a proper dignified aspect while providing service to the people. However, it seems to us that by allowing freedom in this regard, what has been forgotten is that dignity required of a government official. The Government official's service code 8-2 requiring "Officials, while on duty should wear proper attire to maintain dignity" has been replaced with "standardization of simple attire".

It is true that the requirement for men to wear a dark suit with tie was undesirable. Though this may have contributed to a rather stiff working environment, allowing officials complete freedom in choosing attire has led us to reconsider. The stipulation allowing freedom except "during certain ceremonies, and advising "restraint to avoid criticism from others" has no real control over day-to-day activities. Colorful jumpers or T-shirts and casual shoes with suspenders are not good examples of proper attire for official business.

This "destruction of dress code" has been led by Minister Cho Hae-yong. We feel that he should have obtained a consensus before adopting this new code. Government officials are serving the people and supported by tax monies. Therefore they should represent themselves properly and if any trend dictates the need for a revision it should be done in consultation with the people. While we feel that sport jackets are permissible, we also object to the wholesale re-arrangement of tradition.

ROK Elected to Afro-Asian Rural Reconstruction Group Board

*SK2003073296 Seoul YONHAP in English
0628 GMT 20 Mar 96*

[FBIS Transcribed Text] Seoul, March 20 (YONHAP) — South Korea was elected for the 11th time Wednesday as an executive board member of the Afro-Asian Rural Reconstruction Organization (AARRO) Wednesday for the 1996-99 term, a Foreign Ministry spokesman said.

The organization pursues rural development and eradication of rural impoverishment.

Established in 1961, AARRO has launched projects to enhance the welfare of the rural areas of its 24 member countries, including the holding of seminars and exchange of experts and farmers among member nations.

Seoul has contributed a total of 57,677 U.S. dollars to the organization since 1993.

The government has invited 25 farmers and officials from abroad on a biannual basis for training on the Saemaul (new community) movement, which Seoul initiated in the early 1970s to modernize the nation's rural areas.

In fact, numerous other factors together influence and determine the stability of a country's currency. However, we believe that cooperation in all aspects of economy and trade is bound to have a considerable impact. Developed countries should assist in improving the economic standing of their less developed counterparts, while the developing nations should pool their expertise and technological knowhow.

Nevertheless, we are aware that the stability of a country's currency cannot be protected, due to the greedy actions undertaken by those countries that are politically and economically powerful. Unquestionably, without support from other economic sectors, any country with a strong economic policy cannot uphold its economic stability for long. For us, the stability of a country's currency can be measured through the economic and political actions of the superpowers. The value of the currency of a country will decline or remain unstable as a result of the economic and political actions of the superpowers. We sincerely hope that APEC will take into account that the actions of the superpowers have resulted in currency destabilization. Every superpower should ensure that the value of the currencies of all countries remain strong. Currency destabilization should be avoided. Moreover, countries with weak economic policies should never be exploited. As far as Malaysia is concerned, we consider that the ringgit's current value is strong. This is because our country's currency value is not affected by any action undertaken by the superpowers or policies imposed by renowned international financial institutions.

It has been observed that APEC admits that a strong macroeconomic policy can deflect currency destabilization. This proves that all economic factors should be pooled together to ensure currency stability. For investors, the stability of a country's currency is one of the criteria for investing in that particular country. On the other hand, it does not necessarily mean that it will be good to invest in a country with a high currency value.

Unquestionably, investors do not want to be trapped by a so- called high currency value that is sensitive to international political and economic developments. Such a value will easily fall to the lowest level once some other political and economic factors influence the global situation. As far as we are concerned, the stability of our currency as something very important. Our currency has remained stable despite the fact that various types of pressure have been applied on us, either directly or indirectly.

A currency that often fluctuates like a yo-yo shows that the economic standing of that country is weak. We are therefore thankful that the value of our ringgit has remained permanently stable. We have been able to maintain this level of stability because we have placed great importance on the carrying out of a macroeconomic policy, not to mention our skill in maintaining a balanced economic situation. We have maintained a good balance of payments on one hand, and have not relied on any outside power to determine our economic position on the other; we solve our own economic problems in a very deliberate manner.

Malaysia: Police Arrest 76 in Massive Antidrug Operation

96SE0044A Kuala Lumpur BERITA HARIAN in Malay 5 Feb 96 p 8

[FBIS Translated Text] Nilai, 4 Feb—The son of a local actor and film director was among the 76 factory workers arrested early this morning in a massive operation against drugs and several other crimes in the vicinity of the town of Nilai.

Assistant Superintendent Abdul Rahman Sidek, chief of the Seremban District Narcotics Office, who headed Operation Pineapple, said the 22-year-old youth will be prosecuted for possession of illegal drugs.

He said that at about 0200 hours, a group of police officers found several heroin tubes on a mattress in a room of a house they raided at Taman Semarak Dua.

"When the raid was made, only the youth and a companion were in the room," Abdul Rahman said after the four-hour raid, which began at 0030 hours.

The son of the actor and film director, who was also a worker in the Nilai industrial complex, was said to have acted in several local dramas but only in assisting roles.

Initial police investigation showed that the youth was believed to have been arrested before along with an older brother in a case that involved drugs.

Abdul Rahman said all the 76 workers arrested were ordered to have urine tests. If the tests are found positive, the workers will be brought to court before being imprisoned or will be sent to rehabilitation centers.

The operation, the first of this year, involved 56 police officers and personnel from the Seremban and Nilai Stations.

"The operation focused on several housing developments, villages, and factory dormitories believed to be centers of drug use and trafficking," he said.

He said he also arrested a drug user who had run away from the Serendah Rehabilitation Center last

November and two youths suspected of being involved in motorcycle thefts around the town.

Singapore

Singapore: Daily Reviews APEC Finance Ministers Meeting in Kyoto

BK2003081896 Singapore BUSINESS TIMES in English 20 Mar 96

[Editorial: "A Talkfest That Calls for a Follow-up" — received via Internet]

[FBIS Transcribed Text] Don't expect impressive resolutions, said Malaysia's Finance Minister Anwar Ibrahim during the meeting of APEC [Asia-Pacific Economic Cooperation] finance ministers in Kyoto over the weekend. It's just as well that expectations were thus toned down, for the ministers came up with precious little in the way of concrete policy ideas. As Japan's Finance Minister Wataro Kubo put it: It was not that kind of meeting. Which is not to say it was just another bland and futile talkfest. The Kyoto meeting may not have been pathbreaking, but at least it drew attention to the key issues preoccupying APEC finance ministers nowadays. Of these issues, the ministers seemed to dwell at some length on currency stabilisation. And appropriately so.

For as recent experience has shown, wildly volatile currency markets and a prolonged misalignment of exchange rates can play havoc with a country's economic policy. And it's not only economies like Mexico that find themselves struggling against the tide, but even such mighty powers as Japan. With capital becoming ever more mobile and, particularly, with portfolio investors adopting an increasingly international outlook, many Asia-Pacific economies would do well to brace themselves for a high degree of currency turbulence in the years to come.

One step many of them have taken in recent months is to sign repurchase or "repo" agreements whereby central banks can borrow from each other and thus bolster their reserves to deal with possible currency crises. The APEC ministers supported regional pacts of this sort, but what was significant was Japan's view on the matter. On the one hand, Tokyo seemed to want an explicit statement on how the yen/dollar rate should evolve, as well as some willingness on the part of Asian countries to help stabilise that rate. On the other hand, it expressed little interest in joining any of the regional repo agreements in force.

Both these positions are puzzling, the more so when they are taken together. To expect a handful of small Asian economies to step in to help stabilise the yen against the dollar does not seem practical; the yen is too internationalised and too heavily traded. Its stabilisation vis-a-vis the dollar would call for intervention on a massive scale, involving central banks of all the major industrial economies — and even then, its effectiveness would be far from certain.

The regional repurchase agreements, by contrast, centre on more thinly traded regional currencies, which are defensible, given timely intervention backed up by adequate resources. Japanese participation in these agreements would make them more credible and, hence, effective. More stable Asian currencies would also be of some benefit to Japan, whose trade and investment ties with the region are strong and getting stronger.

Financial Crises

Hopefully therefore, Japan will go beyond watching and waiting on the issue of regional currency repo agreements and join at least some of them. At the same time, it should seek to establish mechanisms for large-scale international-level intervention to cope with dollar/yen misalignments. And in this, APEC members — including those in South-east Asia — should support it every step of the way.

Another currency-related issue discussed at Kyoto was the proposal to double the resources provided by the IMF under special credit-lines to deal with sudden financial crises of the sort that hit Mexico in late 1994. APEC finance ministers welcomed the idea, but did not examine any of the details. These are important: questions like which countries are expected to contribute, under what circumstances the credit-lines will be activated and what safeguards will be put in place to ensure that borrowers repay, are critical.

Finally, there was the issue of infrastructure. The finance ministers said all the right things about the region's awesome infrastructural needs in the years to come and about the need to channel private savings towards infrastructure financing. But they didn't say much about how. Here then is yet another issue that will tax the finance ministers when they get home.

Cambodia

Cambodia: Khmer Rouge Claims Government Attack From Thailand

BK2003033496 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 2330 GMT 19 Mar 96

[FBIS Translated Text] On 19 March, a number of the headless and tailless two-headed soldiers crossed into Thailand to ask Thais in a monastery for rice.

They needed rice to reorganize their forces to continue attacking Preah Vihear Temple from Thai soil. The Thai people, Buddhist monks, and military and civilian officials are all aware of this.

We already know the stance of the Royal Thai Government and Army which want peace to be restored to Cambodia and for war to end. At present, this stance remains intact. Therefore, Cambodians, like Thais, do not want the two heads, the puppets of communist Vietnam and the alliance, to use Thai soil to attack the Cambodian national resistance forces, as this endangers the lives of the Thai people, Buddhist monks, monasteries, schools, and students as well as the Cambodians.

The Cambodian people and the National Army of Democratic Kampuchea [NADK] are chasing the two-headed troops which have been assailed and dispersed. Some have been wounded by mines or stakes and others intercepted by mines. They are short of food, water, and other supplies.

The communist Vietnamese two-headed puppets continue to stubbornly violate Thai soil and the people to further their plan to attack the Preah Vihear temple from behind. Nevertheless, the people and the NADK are pursuing and attacking them day and night, preventing them from launching their dark scheme at all costs.

Cambodia: PGNUNS Adopts Memorandum on Elections

BK1903131596 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 2330 GMT 18 Mar 96

[Memorandum adopted by the PGNUNS at its weekly cabinet meeting on 18 March; place not given; read by Khieu Samphan, prime minister and minister of the National Army — recorded]

[FBIS Translated Text] Memorandum of the Provisional Government of National Union and National Salvation [PGNUNS]: Will it be elections under the communist Vietnamese puppet regime or free, democratic elections?

This question—will it be elections under the communist Vietnamese puppet regime or free, democratic elections—has been and is being answered. The answer is that the elections will be held under the dictatorial and fascist regime of the communist Vietnamese puppets.

In order to clear up this issue, it is necessary to recall past developments, as follows:

I. Communist Vietnam, UNTAC [UN Transitional Authority in Cambodia], and the alliance trampled on and dissolved the 23 October 1991 Paris Agreement and organized the elections entirely under the communist Vietnamese regime. The aim of the 23 October 1991 Paris Agreement was to bring peace and national reconciliation to an independent, sovereign, united, and neutral Cambodia, enjoying all of its territorial integrity. The Paris Agreement clearly stipulated that:

1. Under UNTAC supervision, all categories of aggressor communist Vietnamese forces shall withdraw from Cambodia and shall never return to this country.

2. Quadripartite national reconciliation shall be achieved through the offices of the Supreme National Council [SNC] with Samdech Norodom Sihanouk as the chairman. The quadripartite SNC shall be the sole legitimate body representing Cambodia's sovereignty. A communist Vietnamese puppet regime shall no longer exist.

3. Free, democratic elections shall be held in a neutral political atmosphere to allow the Cambodian nation and people to determine their own destiny.

UNTAC, the alliance, and communist Vietnam, however, jointly violated and trampled on the Paris Agreement. They declared that there were no Vietnamese, while maintaining the presence of aggressor Vietnamese forces in Cambodia and even permitting more Vietnamese nationals to pour into Cambodia at will. They opposed quadripartite national reconciliation and the concept of allowing the SNC to wield real power. They fully preserved the traitorous communist Vietnamese puppet regime, in both its military and civilian forms, from top to bottom. They organized deceptive elections under the communist Vietnamese puppet regime and even permitted millions of Vietnamese nationals to take part in these elections.

II. What is the present situation?

The present situation in Cambodia is one in which communist Vietnam and its puppets are holding total sway.

1. FUNCINPEC [National United Front for an Independent,Neutral, Peaceful, and Cooperative Cambodia] was the winner after the UNTAC- organized elections. Communist Vietnam and its puppets staged a palace coup and boisterously announced that seven provinces seceded and joined Vietnam. They used Chakkrapong, a delinquent prince and puppet of communist Vietnam, as the figurehead of the sham secessionist clowns. Afterwards, communist Vietnam and the alliance coalesced the communist Vietnamese puppets with this election-winning FUNCINPEC to form the two heads. This was a farce, a deception that trampled on the people's right to self-determination and their decision at the polls that FUNCINPEC was the winner and the communist

Vietnamese puppets the losers to show their intent to drive communist Vietnam and its puppets from power in Cambodia.

In other words, all of them—including communist Vietnam, the communist Vietnamese puppets, the alliance, and such villains as the delinquent prince Ranariddh himself—made a mockery of democracy as they liked, completely annihilating the FUNCINPEC faction that upheld the original FUNCINPEC policy and keeping only the FUNCINPEC faction that brownnosed communist Vietnam and its puppets.

2. To the question of whether the two heads still exist, the answer from all over the world is no. There is only one head left, that is the head of the purely communist Vietnamese puppet. The law belongs to the communist Vietnamese. The prince belongs to the communist Vietnamese. The administration belongs to the communist Vietnamese, and so do the National Assembly, the government, the soldiers, the police, the economy, the land, fish, meat, and timber. Moreover, 4 million-plus communist Vietnamese nationals have taken up residence in Cambodian land with the intent to swallow up Cambodia.

Meanwhile, the forces that the alliance had coalesced with the communist Vietnamese puppets dissolved like lard in a hot pan. They were destroyed and decimated by communist Vietnam and its puppets, completely neutralized as a political entity, an organization, a military force, and a civil administration.

3. The two heads, the out-an-out puppets of communist Vietnam, have continued to kindle the communists Vietnamese war, which has been going on for more than 17 years, or over three times the duration of World War I and World War II, causing endless Cambodians disasters, suffering, famine, misery, and destruction.

4. Communist Vietnam has freely swamped Cambodia with Vietnamese nationals because the administration at all levels and in all sectors is a communist Vietnamese administration, as a result of its policy of introducing the Communist Party of Vietnam [CPV] and Vietnamese nationals into Cambodia in a bid to swallow up this country and its race.

At present, communist Vietnam and its puppet lackeys, with Hun Sen as the top goon, are extremely fascist, dictatorial, and monopolistic. All the power is in the hands of the CPV and the communist Vietnamese puppet regime.

III. What is their aim in the 1998 elections? What prearrangements have they made?

1. They have organized another Buddhist Liberal Democratic Party [BLDP] in addition to the party of His Excellency Son Sann. This BLDP belongs to Ieng Muli and Sieng Lapresse, who have already converted as puppets of the communist Vietnamese puppets.

2. They have refused to let Sam Rangsi's Khmer Nation Party [KNP] function by making absurd accusations that it is illegal.

3. They have used Nguon Soeu, former deputy chief of the two- headed police and a member of communist Vietnam's People's Party [CPP] Central Committee, ordering him to sneakily join the KNP and then set up a rival KNP in the same way Ieng Muli did to the BLDP. This is for the purpose of keeping the voting for the dictatorial and fascist group in the coming elections so that Ieng Muli and Nguon Soeu will each get only a few votes and so will His Excellency Son Sann, who consequently will not win any seats. As for Sam Rangsi, with his party declared illegal, he will not get any votes even if he joins the elections. Why? Because all the record books are in their hands. They can do whatever they like.

4. They have also made prearrangements concerning Ranariddh, ordering him to reassemble FUNCINPEC remnants. And although Ranariddh remains treacherous and opposed to the original FUNCINPEC policy, he will be second in the coming elections but far behind the CPP. Despite being so far behind, however, he will be allowed to remain the other head so that he can be used as a facade to pretend that pluralism, democracy, and a pro-Western group exist, thereby giving them a chance to get financial support from the West to carry on communist Vietnam's policy.

5. Communist Vietnam will also form small parties made up of its own men in order to show to the world that the communist Vietnamese regime in Cambodia is a pluralistic regime and so on.

All of this is to enable the communist Vietnamese regime to remain monopolistic for another five-year term. So, during the five-year term from 1993 to 1998, a portion of the Vietnamese immigrants has grabbed power from top to bottom, while the other portion has grabbed our entire economy and all of our land, fish, and forests. To date they have expelled all Cambodian nationals from eastern Cambodia and have replaced them with more than 4 million Vietnamese nationals, and they are bearing hundreds of thousands of children.

There will be more than 10 million Vietnamese in Cambodia during the five years from 1998 to 2003. They will outnumber Cambodians. They will outnumber Cambodians, on the one hand, because they have waged a war to kill and steadily reduce the number of Cambodians; and, on the other hand, they have introduced more Vietnamese immigrants, who are breeding like mice all over Cambodia to swallow up this country demographically, geographically, and economically. The principal and fundamental meaning of this is to commit genocide against Cambodia and completely turn it into another Kampuchea Kraom [Cambodian territory annexed by Vietnam in the 17th century] within only two terms.

IV. What is the PGNUNS stand in the face of such a situation?

1. For 17 years, the PGNUNS stand has always been one of fighting resolutely because this is a struggle to withstand and eliminate the Indochinese Federation strategy of the CPV and the late Ho Chi Minh. This strategy clearly stipulates that it is imperative to incorporate Laos and Cambodia into Vietnam under minimal cover.

2. Now we continue most resolutely to fight in order to withstand and eliminate the Indochinese Federation strategy of turning Cambodia into a second Kampuchea Kraom. This is our fundamental stand.

3. Although the Paris Agreement has already been crushed and ruined, the PGNUNS—imbued with the love for democracy, freedom, the country, and the people and with the determination to defend and perpetuate the nation, people, and race and in concert with all Cambodian brothers in the countryside, in Phnom Penh, as well as abroad—would like to put forward some measures regarding the 1998 elections.

The nation, the people, and the PGNUNS do not have the slightest belief in the so-called free, democratic elections of 1998 because the 1993 UNTAC-sponsored elections had also pretended to be so. Moreover, as mentioned earlier, prearrangements have already been made for these 1998 elections. Being true lovers of the Cambodian nation and people, however, we would like to affirm our stand concerning the elections in Cambodia.

a. We will not follow the precedent that UNTAC and communist Vietnam have set before and are setting now.

b. This is merely part of our political stand: We understand that in order to hold democratic elections in which the people can truly exercise their right self-determination:

4. There must be an electoral commission in which all political parties and local and overseas Cambodian mass organizations take part. This commission has the duty to draft an electoral law and to organize and supervise truly free, democratic elections so that the Cambodian people can exercise their right to self-determination.

5. There must be an international control provided by the world's nations—for example, ASEAN countries, Nepal, Pakistan, Japan, India, Sweden, Switzerland, Austria, Canada, Senegal, and a number of other African and Latin American countries, such as Brazil, Argentina, and Chile—sending reasonable numbers of representatives to carry out on-the-spot control throughout Cambodia.

Our stand is to resolutely oppose the CPP, which implements the Indochinese Federation strategy of communist Vietnam and the late Ho Chi Minh. We oppose any parties, large or small, or any organizations that brownnose communist Vietnam and implement its Indochinese Federation strategy.

The PGNUNS supports any political figures and political parties that are: patriotic; struggle for a genuinely national constitution; champion respect for international law, human rights, and democratic freedoms; and fight hard to end the communist Vietnamese war and bring about peace, national reconciliation, and a solution to the problem of 4 million-plus ethnic Vietnamese in Cambodia so that Cambodia has all the necessary conditions in which to rebuild and develop the country.

The entire Cambodian nation and people, both at home and abroad, who have struggled and gained combat experiences during the past 17 years against communist Vietnam and its puppet lackeys, have confidence in their own national and people's forces and clearly see that only by fighting can they realize their goal of saving and perpetuating the Cambodian nation, people, and race, preventing communist Vietnam from swallowing up Cambodia and turning it into another Kampuchea Kraom, and enabling Cambodia to live on as an independent, sovereign, peaceful, united, and neutral nation with all of its territorial integrity under a liberal democratic regime and free-market system where human rights and the Cambodian people's right to self-determination are respected.

This memorandum is issued in order to clearly separate white from black, good from bad, patriotism from treachery, and honey from excrement in advance so as to prevent communist Vietnam and its puppets, both old and new, and some of those in the alliance from misleading the public.

Cambodia: Khmer Rouge Lambastes Upcoming FUNCINPEC Party Congress

BK2003113496 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 2330 GMT 19 Mar 96

[Communique issued by "the Spokesman of the National Union Party and Provisional Government of National

Union and National Salvation" on 19 March; place not given — read by announcer]

[FBIS Translated Text] I. It is reported that Ranariddh, at the behest of communist Vietnam and its out-and-out lackey Hun Sen, will hold a congress of the residual FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] party on 21 March 1996.

Why has communist Vietnam ordered Ranariddh to organize the congress? It is to serve the maneuvers of communist Vietnam and its puppets in the 1998 elections.

II. What is FUNCINPEC's founding policy? The policy is:

1. To join the entire Cambodian nation and people to wage a struggle against the communist Vietnamese aggressors and the nation- betraying clique comprising Hun Sen, Chea Sim, Heng Samrin, Sar Kheng, and Tie Banh, who are the communist Vietnamese out-and-out lackeys. This is to achieve national reconciliation and peace within a Cambodia endowed with independence, sovereignty, and territorial integrity and to rebuild the country, making it redevelop under a liberal democratic regime;

2. To solve the problem of ethnic Vietnamese wolfing down and swallowing Cambodia by sending them back to Vietnam;

3. To reclaim the land, seas, and islands that communist Vietnam has seized since 1979; and,

4. To establish a pluralistic liberal democratic regime.

III. What is the policy of the Ranariddh-owned FUNCINPEC party and what are the activities it is currently conducting ?

1. Since the elections organized by UNTAC [UN Transitional Authority in Cambodia], Ranariddh has betrayed the nation and FUNCINPEC;

2. Ranariddh has kowtowed, allowing himself to serve as a puppet of Hun Sen, who is an out-and-out communist Vietnamese lackey, and letting himself be used by communist Vietnam as a smokescreen to camouflage the communist Vietnamese authorities invading Cambodia;

3. Ranariddh serves the communist Vietnamese policy of further fuelling the war, sabotaging national reconciliation, destroying peace, and massacring the Cambodian nation and people; he serves communist Vietnam's Indochinese Federation Strategy;

4. Ranariddh has allowed communist Vietnam to seize tens of thousands of square kilometers of Cambodian territory in the east and to pump in the Vietnamese to wolf down and swallow Cambodia, turning it into a second Kampuchea Kraom;

5. Ranariddh serves communist Vietnam's criminal policy of seizing Kompong Som, islands, seas, and millions of hectares of forests to auction to unscrupulous foreign merchants;

6. Ranariddh is most corrupt and completely rotten; and

7. Ranariddh has discarded FUNCINPEC members and leaders who are nationalist and loyal to the founding policy of FUNCINPEC.

IV. What is the purpose of the order by communist Vietnam and its out-and-out lackey puppets for Ranariddh to hold the congress of the traitorous FUNCINPEC?

To answer this question, it is necessary to consider:

1. The participants attending the congress. Nationalists have been exiled, assassinated, or disbanded. Prince Sirivut and His Excellency Sam Rangsi will not take part. As such, there will be only Ranariddh-led and Hun Sen-led puppets to participate under the FUNCINPEC emblem.

2. What is the political significance of the congress? Is Communist Vietnam allowing Ranariddh to hold the congress in order to underline the significance of FUNCINPEC's policy or to continue the policy of controlling the nation-betraying FUNCINPEC that serves the communist Vietnamese aggressors, who are wolfing down and swallowing Cambodia? Concerning the party's internal policy, will solidarity and reconciliation within FUNCINPEC be restored in accordance with the policy previously adopted by King Norodom Sihanouk? Regarding domestic policy, will war be ended and national reconciliation achieved so as to allow Cambodia to recover peace and to have the opportunity to rebuild and develop itself? With regard to foreign policy, will Cambodia, currently controlled by communist Vietnam, be allowed to regain independence, peace, sovereignty, neutrality, and territorial integrity?

In view of the participants at the congress and the significance of the party's internal, domestic, and foreign policies, communist Vietnam's malicious aim in ordering Ranariddh to organize the congress of the residual FUNCINPEC can be clearly seen. The congress is to serve communist Vietnam's maneuvers in the 1998 elections, using the FUNCINPEC emblem as a smokescreen to claim that multiparty democracy is in existence. It is to ask for more money from the West to further the communist Vietnamese policy. Actually, the elections will be held under the totally monopolistic, dictatorial, and fascist communist Vietnamese regime with no democracy whatsoever.

The maneuvers are for the monopolistic communist Vietnamese regime to continue the mandate for another five years with a view to exterminating the Cambodian race, turning it into a second Kampuchea Kraom completely within just two mandates. During the 1993-1998 mandate, one group of ethnic Vietnamese assumes power from top to bottom while another gets total control of the economy, the land, and the forests. They have evicted all Cambodians from east Cambodia. They have so far pumped in over four million Vietnamese, and hundreds of thousands of Vietnamese also continue to be born. Moreover, during the five-year mandate between 1998 and 2003, the Vietnamese will number over ten million, outnumbering the Cambodians. The Cambodians will be outnumbered due to their being killed in the war waged by communist Vietnam and because of the sending in of the Vietnamese. The Vietnamese will be born like rats all over Cambodia; they will wolf down and swallow Cambodia, including its land, people, and economy.

V. The NUP and PGNUNS are resolutely opposed to all political parties, both small or big, which brownnose communist Vietnam, implementing its Indochinese Federation Strategy. The NUP and PGNUNS support all patriotic political individuals and parties that are struggling to have a genuinely national constitution established and international laws, human rights, and democratic freedom respected, and who are striving to end the communist Vietnamese war with a view to achieving peace and national reconciliation and solving the problem of over four million Vietnamese wolfing down and swallowing Cambodia. This is to allow for the reconstruction and redevelopment of Cambodia.

Indonesia

Indonesia: Suharto Holds Talks With Poland's Cimoszewicz

BK1903145696 Jakarta Radio Republik Indonesia Network in Indonesian 0700 GMT 19 Mar 96

[FBIS Translated Text] Poland wishes to cooperate with Indonesia on harbor management and electricity generation. Polish Prime Minister Wlodzimierz Cimoszewicz made his country's desire known during a private meeting with President Suharto at Jakarta's Merdeka Palace today. The 90-minute meeting between the two leaders was dominated by economic and trade issues. Radio Republik Indonesia correspondent Sudirman Hala reports the outcome of the talks:

[Begin recording] [Hala] Indonesia and Poland have agreed to study the potential of the two countries. For this reason, the two leaders believe that an exchange of visits, especially between private businessmen, is necessary in order to learn the potential of both countries. Officials from both countries should do the same.

Speaking to reporters, Minister-State Secretary Murdiono said the two leaders's talks had concentrated on economic issues. Tourism is another area that needs exploration because many tourists are visiting Poland. A total of 84 million tourists visited Poland in 1995, while about 20 million Polish made overseas vacation trips during the same period. President Suharto said studies should be made to ensure that Polish tourists also visit Indonesia. Minister- State Secretary Murdiono also discussed Poland's desire to upgrade bilateral ties.

[Murdiono] One of the meeting's agenda items was Poland's desire to expand cooperation in science and technology. Because of Poland's expertise in harbor management and electricity generation, the Polish prime minister offered cooperation in these two areas. As Poland is experienced in coal mining, the country has also offered its expertise in this field.

[Hala] At the end of the meeting, the Polish prime minister officially presented a letter from the Polish president, who wishes to invite President Suharto to visit Poland at a suitable time. During his three-day official visit to Indonesia, the Polish prime minister is scheduled to meet with Hartarto, Coordinating Minister for Production and Distribution; Research and Technology Minister B.J. Habibie; and Foreign Minister Ali Alatas at the State Guest House this afternoon. Before the meetings, the Polish premier will deliver a lecture at the Foreign Affairs Department at Pejambon.

Correspondent Ahmad Muslik quoted the Polish premier as praising the excellent bilateral ties and proposing the establishment of a joint business council to further strengthen existing ties. The Polish premier also called for more frequent contacts between the two countries' trade officials.

Poland is awaiting an upcoming visit by the Indonesian mining and energy minister. Last year's trade volume stood at $140 million, of which Indonesia's exports stood at $90 million and its imports at $50 million. [end recording]

Indonesia: Polish Premier Agrees to Cooperation, Ends Visit

LD1903141796 Warsaw Polskie Radio First Program Network in Polish 1105 GMT 19 Mar 96

[FBIS Translated Text] Prime Minister Wlodzimierz Cimoszewicz and Indonesian President Suharto agreed during talks in Jakarta that Poland and Indonesia should increase economic cooperation. The Polish prime minister proposed assistance to modernize Indonesia's ports and to increase coal extraction. Poland and Indonesia also intend to exchange experience in the sphere of energy production.

[Correspondent Stanislawa Stec] At the end of his official two- day visit to Indonesia, Prime Minister Wlodzimierz Cimoszewicz reiterated that political promotion of the Polish economy and an exchange of information was the aim of his trip to Southeast Asia — he is going from Jakarta to Thailand and Malaysia this week. The prime minister said during a news conference that this aim was achieved in Indonesia. Asked by reporters about what Poland is able to offer, he replied "Everything" — from individual machines through to technology and services. Indonesia is interested in cooperation with the shipbuilding, defense, mining, foodstuff, aircraft, telecommunications, and tourist industries. The prime minister believes that the political support given to these plans by President Suharto, whose decisions as head of state and government are binding in Indonesia, are very valuable.

Indonesia: Rebel Leaders Interviewed on Hostage Situation

BK1903142096 Jakarta KOMPAS in Indonesian 17 Mar 96

[Written interview with GPK leaders Kelly Kwalik and Daniel Kogoya received by unidentified KOMPAS correspondents in Wamena on 2 March — received via Internet]

[FBIS Translated Text] Jayapura, KOMPAS — Kelly Kwalik and Daniel Kogoya, leaders of the Irian Jaya GPK or Security Disturbance Movement, have said that they will not free the hostages they have held since 8 January 1996 until the government of the Republic of Indonesia recognizes the Republic of West Papua. Their reasons: in addition to holding the "cards", they also have four combat battalions.

Kogoya and Kwalik said this in a written interview with KOMPAS. The interview was dated 2 March 1966, and 22 written questions were answered on two pages of legal-size papers.

Kwalik and Kogoya also sent a two-page cover letter. The letter bore their signatures and was marked with a red stamp. "Kodam III [3d Military Command Area] Fak-fak, West Papua New Guinea" was written on the letter.

The letter and the answers to the interview were enclosed in one white envelope with "Letter From Kelly Kwalik-Daniel Kogoya" written on it [words in quotation marks published in English]. The white envelope was sent to one of the three members of a KOMPAS team at a place in Wamena on Saturday morning. Four documents were found in the envelope in addition to the letter and the interview answers.

The complete written interview follows:

[KOMPAS] What is the objective of the hostage taking?

[GPK] We kidnapped those people to demand recognition of the Republic of West Papua by the Indonesian Government and the international community.

[KOMPAS] How long are you going to hold the hostages?

[GPK] We will hold the hostages until there is recognition by the Indonesian Government and the international community of the Republic of West Papua.

[KOMPA] How is your health and that of your friends'?

[GKP] The general condition of all West Papua independence fighters is very bad. We have been suffering materially and spiritually due to the actions taken against us by the Indonesian Government and the ABRI [Armed Forces of the Republic of Indonesia] from 1964 to 1996.

[KOMPAS] How about the hostages' health?

[GPK] The hostages are well.... except that they are a little thinner because the food that they consume is not nutritious.

[KOMPAS] Are you confident that your objective can be achieved by holding those people hostage? If this is true, why are you so confident?

[GPK] Yes, we can achieve our objective. This is due to the noble wish of all the patriotic people of West Papua who are residing in West Papua and those living overseas.

[KOMPAS] Are you satisfied with the local and foreign mass media coverage on the hostage taking?

[GPK] We are not satisfied with the mass media reports throughout the world so far. There has been deception and propaganda that belittles or covers up the Papua issue.

[KOMPAS] Are you not afraid of being attacked for continuing to hold the hostages?

[GPK] We are not afraid because we hold the Joker and Ace cards. [KOMPAS] Will you surrender amnesty were to be granted?

[GPK] We will never surrender because the objective of our struggle is not a personal wish or that of a group of people or tribesmen. All the people of Papua have agreed to this.

Burma

Burma: SLORC Puts Off UN Official's Visit Due to 'Busy' Schedule

BK2003093896 Bangkok BANGKOK POST in English 20 Mar 96 p 3

[Unattributed report]

[FBIS Transcribed Text] Rangoon: Rangoon cannot receive a senior United Nations official this month because its leaders are busy and out of town, according to ambassador to Thailand Tin Winn.

Leaders of the State Law and Order Restoration Council [SLORC] spend the month touring the country, he said, and it was better that Assistant Secretary-General Alvaro de Soto make the visit in August.

Mr de Soto had planned to hold talks with Lt-Gen Khin Nyunt, Secretary 1 of the SLORC, and Foreign Minister Ohn Gyaw, who met Prime Minister Banhan Sinlapa-acha's delegation in Rangoon this week.

The UN official had hoped to visit Burma this month to prepare to report to the General Assembly and the Human Rights Committee, which convened on Monday.

U Tin Winn said: "The month of March is very busy. This is the season for us to inspect all areas throughout the country, so most of the leaders are away from the city area."

While on their inspection tours, he said, leaders of the SLORC also attend meetings of various committees and participate in religious affairs.

Furthermore, the junta was also preparing for the Burmese New Year on April 16.

Mr. de Soto was curious about Rangoon's response and felt it might have been unhappy about the meeting last month between Giorgio Giacomelli, executive director of the UN Drug Control Programme, and Aung San Suu Kyi, the opposition leader.

The meeting, held at the UNDP office instead of Mrs Suu Kyi's house, was a compromise with the SLORC, he said. But later the meeting was termed "inappropriate" in the state-run press.

Burma: Khun Sa Allegedly Orders Assassination of SSNA Commander

BK1903132096 (Internet) BurmaNet News in English 17 Mar 96

[Unattributed report from SHAN HERALD AGENCY NEWS, 12 March: received via Internet]

[FBIS Transcribed Text] On January 4 1996, at about 2000 hours a man shot into the house where Sai Yoong, a tax collector of SSNA [Shan State National Army] was spending a night in the southern market quarter of Lai-hka. The bullet went straight to where he was sleeping, but was deflected by a cover. Sai Yoong got up and ran away, escaping into the night. Most people thought that the gunman was hired by Khun Sa, and he had apparently taken Sai Yoong for Karnyord [a former major from Khun Sa's Mong Tai Army and commander of SSNA] and tried to assassinate him.

Not long after this incident, rumours circulated that Karnyord had been assassinated at Panglong on January 23 1996. Such is how rumours can spread.

Brunei, Malaysia & Singapore

Malaysia

Malaysia: Daily Views Efforts To Ensure Currency Stability

BK2003094696 Kuala Lumpur BERITA HARIAN in Malay 19 Mar 96 p 10

[Editorial: "Ensuring Currency Stability"]

[FBIS Translated Text] Finance ministers at the Asia-Pacific Economic Cooperation [APEC] meeting held in Kyoto, Japan, yesterday agreed that economic policy is not a short-term measure to check unstable currency values. On the other hand, a country that is fully dependent on a single economic factor is frequently confronted with high risks. Although each country has its own economic policy, that does not mean that it can discard other economic factors. Moreover, a country cannot be fully and perpetually dependent on agriculture alone. In fact, this also applies to industrialized countries, for they too need to admit their dependence on other economic sectors. There is also the need to seek new markets and manufacture new products from time to time. The credibility of the markets is of utmost importance in any effort to determine the stability of the currency of any given country. Any depreciation in the value of the currency of an APEC member will only render it incapable of helping other members.

Total dependence on any particular sector should be avoided at all costs despite our declaration that every country needs to have its own economic policy. For example, a petroleum-producing country that totally depends on this commodity as its economic base will find that an unstable economic situation will emerge when market prices take a downswing. Such a calamity will also happen to countries that totally depend on rubber as has been our experience. The decline in rubber prices will definitely weaken the country's economic well-being.

[KOMPAS] What is your plan if the military launches its operation?

[GPK] We are ready to fight.

[KOMPAS] According to reports, there are about 200 members in the movement. If there is a military operation, what will happen to them?

[GPK] It is not true that the total number of our members is about 200. The actual number of our troops is four battalions. They are always ready to face the enemies.

[KOMPAS] Did you coordinate with Kelly Kwalik before taking the hostages?

[Kogoya] Yes, upon his order. I am the head of the movement's 3d Military Command Area's general operations.

[KOMPAS] What is the division of duties between Mr. Kelly and you?

[Kogoya] I am the command's chief of staff/head of general operations, while Mr. Kelly is my commander.

[KOMPAS] Do you have any ties with Mathias Wenda, who kidnapped two Arso residents recently?

[GPK] Yes! We do communicate with Mathias Wenda. In fact, all the nine military area commands and the leaders of our community residing overseas are always in contact or cooperate with one another.

[KOMPAS] Are there many Irian people that have the same concept as Mr. Kogoya?

[Kwalik] Yes! Plenty. They are: all the people of Papua who are on Papua soil, in Java, and overseas. In fact, some Indonesian political figures in Jakarta are sympathetic with the people of Papua.

[KOMPAS] If this is true, why did the hostage taking happen?

[GPK] That is the hereditary right of the people of Papua.

[KOMPAS] What is your opinion regarding the Freeport Mining Company?

[GPK] We totally oppose the presence of the company.

[KOMPAS] Do you and your friends want an appropriate share in Freeport?

[GPK] We do not want anything.

[KOMPAS] Do you agree if the government pays more attention to the Irian people, particularly to those who are isolated?

[GPK] The period of isolation from the government has lasted for 32 years, from 1962 to 1995. This year we are not going to hide the Papua issue any more.

[KOMPAS] What are your suggestions?

[GPK] Our suggestion to the government and ABRI is: We do not want to be oppressed as we were in the past.

Indonesia: Editorial Welcomes Hostage Release

BK1903145896 Jakarta REPUBLIKA in Indonesian 19 Mar 96 p 6

[Editorial: "The Prolonged Release of the Hostages"]

[FBIS Translated Text] One step forward has been achieved in the efforts to free the hostages held by the GPK [security disturbance movement] in Irian Jaya. Last Saturday, the abductors led by Daniel Yudas Kogoya and Kelly Kwalik released one hostage, Abraham Wanggai, a researcher at the Irian Jaya Natural Resources Conservation Agency. With the release of Wanggai, there are still 11 hostages still held by the GPK abductors, who originally took 26 hostages on January 8.

The release of Wanggai also brought hope for the release of the remaining hostages, even though previous efforts have failed. The recent effort initiated by the International Commission of Red Cross (ICRC) to free the hostages through the assistance of Moses Werror, a person believed to be the head of the Irian Jaya GPK now residing in Papua New Guinea, was also unsuccessful.

The ICRC team actually managed to meet with Werror, and even obtained a letter addressed to Kwalik and Kogoya telling them to release the hostages immediately. Kwalik and Kogoya decided, however, to ignore the letter and even refused to acknowledge Werror's leadership. Therefore, the chance of freeing the hostages seemed slim until Wanggai was released.

His release, therefore, is very significant and must be recognized as the result of the ICRC's efforts. In this case, the ICRC seemed to avoid working together with the ABRI [Armed Forces of the Republic of Indonesia] task force. The ICRC's inclination to act alone, without working together with ABRI, is regrettable. All parties, however, have welcomed Wanggai's release.

Brigadier General Johny Lumintang, chief of staff of the Irian Jaya Eighth Regional Military Command, said it is not important who frees the hostages; what is important is that all the hostages be released unharmed.

Even though Wanggai has been released, the fate of the remaining 11 hostages is still uncertain, despite reports that they are in good health. Anything can happen in this situation, even the worst scenario. Therefore, great caution must be exercised in the efforts to free all the hostages.

This is easier said than done, especially if the report by Lieutenant General Suyono, chief of the ABRI General Staff, that a nongovernmental organization is involved in the hostage-taking incident is true. Suyono's assumption is based on the belief that the hostage-taking is not really what it appears, but is rather a plot that involves some of the hostages.

Suyono's assumption must be studied further in order to avoid affecting anyone because, if it is not true, it will certainly hurt the feelings of the hostages, who, nonetheless, have undergone this ordeal. If it is true, however, we cannot tolerate such an act of deception that has caused the suffering of innocent hostages and has harmed the reputation of the entire nation and the Irian Jaya people, who have affirmed that the "hostage-taking is not a tradition of the Irian Jaya people."

Right now, we can only hope that all parties that have the capability to free the hostages will intensify their efforts so that the Mapnduma hostage-taking case can be resolved as quickly as possible.

Indonesian Military: Villager Murdered by East Timor Rebels

BK2003122596 Jakarta SUARA KARYA in Indonesian 20 Mar 96 p 3

[Unattributed report — received via Internet]

[FBIS Translated Excerpt] Dili (SUARA KARYA) — Coming under growing pressure from the security authorities, East Timor GPK [security disturbance movement] members have resorted to brutal acts, murdering a villager in Mehara, Tutuala subdistrict, Lautem District, about 300 km east of Dili.

Speaking to reporters in Dili, Captain E.A. Anwar, head of the Wiradharma 164th Area Military Command's Information Service quoted Area Commander Colonel Mahidin Simbolon as saying that the innocent villager, Oskar Lopes, died after he was slashed with a machete.

Anwar said the murder took place on 7 March when Oskar Lopes and his friend Silvano Lopes were working in a garden. At about 0645 East Indonesian Time, three GPK members suddenly appeared — two of them carried AR-type long firearms while the other carried a machete. The three GPK members then talked with the two men at close range, but suddenly the one with the machete moved closer and slashed Oskar Lopes' neck, killing him instantly. However, Silvano Lopes was not harmed and was only warned not to report the incident to the authorities. He was also told that villagers in the area must not assist ABRI [Armed Forces of the Republic of Indonesia] in pursuing GPK members.

Anwar said the incident shows GPK's worsening situation as a result of the unity between ABRI and local people, who are getting increasingly disgusted with GPK's evil activities. [passage omitted]

Indonesian Military Confirms 40 Arrested After Riots

BK2003045196 Jakarta KOMPAS in English 20 Mar 96

[Unattributed report — received via Internet]

[FBIS Transcribed Text] Jayapura, KOMPAS Online — Head of the Trikora Military Information Section Lieutenant Colonel Maulud Hidayat confirmed the arrest of 40 residents of Jayapura suspected of being behind the violent demonstrations in Abepura on Monday (18 March). The one-day riot led to huge material damage and the death of four people.

Further disruptions have also been reported in Jayapura on Tuesday (19 March) during the burial ceremony of Thomas Wapay Wanggai, an Irianese separatist leader who died in Jakarta on Tuesday (12 March) while serving a 20-year prison sentence.

Over 11 houses have been damaged and the windows of offices, houses and shops have been shattered after rioters rampaged through Jayapura. Tight security has, however, ensured that the discontent has remained controlled.

Although by Tuesday evening calm had returned to Jayapura, the military still fear, because of the death of three local residents, violence may recur. The new outbreaks may be ignited by inter- religious, racial and group conflict (SARA).

Maulad Hidayat said two of the rioters were arrested for destroying the national Indonesian flag and another was arrested for raising the Irianese separatist flag. They are partaking in strange activities including flying the separatist flag, explained ABRI [Armed Forces of the Republic of Indonesia] Chief of General Staff Lieutenant General Suyono in Jakarta yesterday.

Suyono said an ABRI member had died during Monday's riots. According to information from the military post in Abepura the ABRI member, identified as Corporal Marthinus Wenda from the Kiwirok Military Command, was not on duty but was rather in the market place in Abepura when demonstrators set light to the market. He was stabbed by a shop owner who thought the Corporal, then dressed in civilian clothes, was one of the demonstrators.

The other three victims have been identified as John Wenda from the Arso village, theology student Sem Ereli and Albert Kogoya from Kotaraja. John Wenda died after being crushed by a bus, Sem Ereli was stabbed and Albert Kogoya's throat had been slit. An additional 16 people are reported wounded.

Suyono said that the latest bout of riots in Abepura were similar to those in Timika (Irian Jaya). Because they were aggravated. Like I have said before, a letter had been circulated inviting people to riot. According to that letter, ABRI is not in the position to handle the rioting or ABRI will not do anything, he explained.

The aggravators, he continued, are Irianese based in Jakarta while people in Irian Jaya coordinate the activity. Presently, we are investigating the activities of a non-government organization [NGO], he said, declining to mention which particular NGO.

According to Suyono, the unrest had occurred because a group wanted the body of Thomas Wanggai buried at the Cendrawasih University campus. Security forces, he said, had no idea that the body would be sent to Irian Jaya nor did they anticipate the reaction when the body was not to be taken to the University.

Father Philipus Erari, presiding over Wanggai's funeral, said that the body was carried to Jayapura only after the assistance of the Trikora Military Command.

Suyono maintained the riots in Abepura had no connection with the kidnapping orchestrated by Kelly Kwalik. Suyono was unable to confirm whether the riots would be treated as subversive activity. We can't say whether it was subversive or not. Everything had to be examined. But we must be on alert so we have sent troops there, he said, adding that anti-riot squads have been sent from Bogor, West Java and Ujungpandang.

Indonesian Military: Separatist Group Supported Rioters

BK1903152896 Jakarta ANTARA in Indonesian 1047 GMT 19 Mar 96

[FBIS Translated Excerpt] Jayapura, 19 Mar, (ANTARA) — Infantry Lieutenant Colonel Maulud Hidayat, head of the Trikora 8th Military Region Command, has said that the riots that occurred in Abepura and Kotaraja, Jayapura, on Monday (18 March) were supported by a separatist group.

Speaking to journalists in Jayapura on Tuesday, Lt. Col. Maulud Hidayat said that the crowd that went to Setani Airport to welcome the remains of Dr. Thomas Wanggai, GPK irja [Irian Jaya security disturbance movement] figure, became violent and sparked off the riot because they received support from a separatist group. [passage omitted covered by referent item]

The ABRI [Armed forces of the Republic of Indonesia] managed to bring the riots under control and arrested 37 people suspected of being the master minds behind the rioting. One of them was arrested for tearing up the red and white Indonesian flag, and another for flying the GPK's flag. The rest were arrested for inciting the rioters and for being leaders in burning and damaging property.

Lt. Col. Maulud Hidayat said that the master minds will have to undergo a legal process in accordance with the existing regulations.

According to information gathered by ANTARA from the security forces, an ABRI member, First Corporal Marthinus Wenda (32), was among the four people who died in the rioting. He was attached to the 1702 Kiwiriok Military Subdistrict Command, Jayawijaya Subdistrict. He was spending his leave in Jayapura and was at the Abepura market when a group of rioters set fire to the building. He was stabbed by the owner of a kiosk who suspected that he belonged to the group that burned the market.

The other three dead persons were: John Wenda (30), a resident of Arso village, Jayapura Subdistrict; UEM Ereli (26), a Jayapura college student; and a woman whose identity could not be certified. [passage omitted on causes of their deaths]

A journalist from ANTARA who covered the burial ceremony of Thomas Wanggai on Tuesday afternoon said that the ceremony proceeded in an orderly manner but under heavy security. [passage omitted on burial process]

Situation Improving [subhead]

Speaking to journalists on a separate occasion, after the burial ceremony, Lt. Col. Maulud Hidayat said that the situation in Abepura and Kotaraja is under control, while in Jayapura a coordinated unit of ABRI and National Police personnel are controlling the security situation in the area. [passage omitted on calm situation in the three areas]

Indonesia: Editorial Views Causes of Riot in Irian Jaya

BK1903153696 Jakarta MEDIA INDONESIA in Indonesian 19 Mar 96

[Editorial: "The Explosion in Irian Jaya" — received via Internet]

[FBIS Translated Text] The eastern most province of Indonesia, Irian Jaya, has been the focus of all the public attention lately. Several disorderly incidents with political dimensions are becoming more turbulent.

The case of 11 persons (six Europeans) being taken hostage by the GPK [security disturbance movement] under the leadership of Kelly Kwalik and Daniel Kagoya has not yet been settled, and the riot that sparked in Jayapura yesterday brought us yet another shock.

The crowd that welcomed the arrival of the remains of Thomas Wanggai at Setani Airport turned into a violent riot. About 2000 people burned stores and damaged vehicles and public buildings. Four people, including a soldier, were killed in the rioting. Thomas Wanggai, who died in Jakarta's Cipinang prison last week, was the person who proclaimed the state of Free West Melanesia.

A similar riot took place in Timika a week ago. The residents damaged vehicles and facilities belonging to the P.T. Freeport Mining Company after a local resident was hit by a car driven by an employee of the biggest gold and copper mines company in the world. Several versions of the accident were spread across the region, causing outrage among the community.

The outbreak of the violent riot in Jayapura yesterday was ignited by information about the welcoming ceremony for the remains of Thomas Wanggai. The crowd, which mostly consisted of students, went berserk when they heard that Wanggai's family had refused to lay his remains to rest at the University of Cenderawasih campus. The crowd became more aggravated after additional information was circulated saying that the security forces had prevented the students from paying their last respects to Wanggai.

Apart from the unfounded information, serious attention should be given to the unrest that often breaks out in Irian Jaya. The Irian Jaya people are known to have a calm character, but they have currently become like gun powder with a short wick. They explode at the slightest touch.

In addition, the Free Papua Organization (OPM), which has been quiet for some time, is making loud noises. One of the GPK's demands is for the reorientation of the military's presence in Irian Jaya. In the rioting in Tembagapura, Timika, the residents criticized the Freeport company, which they considered to be less sensitive to the aspirations of the local people. The socioeconomic disparity that is in plain view has provoked the people's emotional explosion.

We do admit that the development program has been implemented in Irian Jaya, and progress is not totally absent there. As Irian Jaya residents learn more about the outside world through the advancement of telecommunications and information technology, however, they are becoming aware that the development achievement that they are enjoying is far behind when compared to that enjoyed by other provinces in Indonesia or in other countries. They notice that the provinces on Java Island are far more developed than Irian Jaya. Again through information and technology, they also know that their province is very rich in resources. This awareness, however, is pushed aside due to the condition of their daily lives. They know that the development program, which promises to bring changes to the province, is sluggish.

Meanwhile, they often hear arguments over their traditional values in the process of development. The change in the ownership and function of land is one of the examples that can be cited as a factor that has ignited the emotional explosion.

Actually, everyone is aware of the core reason that causes the unrest, but nothing has been done to prevent it. The process of a fair development program in Irian Jaya that brings improvement to the welfare of the people can be expedited if the province, which is five times bigger than Java Island, is divided into three parts. With this, the development fund that has been allocated for one province so far, should be increased threefold.

Indonesia: Ruling Faction Rejects Election Law Changes

BK2003101096 Jakarta KOMPAS in English 20 Mar 96

[Unattributed report — received via Internet]

[FBIS Transcribed Text] Jakarta, KOMPAS Online — Indonesia's ruling [parliamentary] faction Golkar [Functional Group] rejected a proposal made by the United Development Faction (FPP) to change the election legislation. Chairman of the Golkar Faction Mustahid Astari rejected the idea soon after the proposal was handed over by Chairman of FPP Hamzah Haz on Tuesday (19 March).

The Indonesian Democratic Faction (FPDI), however, applauded FPP's proposal and suggested that FPP work together with FPDI to expand the ideas contained in the draft proposal.

According to Mustahid, the Golkar Central Leadership Council has no desire to change the election legislation because the present legislation is worthy and still relevant.

This does not eliminate the possibility of discussions between Golkar and FPP to make the election body more effective. The problem lies not in the legislation but in its implementation, argued Mustahid.

Hamzah appreciated FPDI's support for the election bill and said he would approach the FPP's Central Leadership Council with FPDI's suggestion to form a team to revise and examine the draft bill.

Hamzah explained that, to date, parliamentary proposals have never materialized. There must be a breakthrough so that the parliamentary right to make this institution (election body) function as it should be exercised. Because of this we are prepared to support the FPDI Anti-Monopoly Bill, he said.

Fatimah Ahmad, Chairperson of FPDI, said FPP's proposal had also become a directive of FPDI. Our struggles have always been the same since the general assembly of the People's Consultative Council in 1983. We both know the difficult nature of this proposal and it may never be passed, but at least we can enter the parliamentary plenary session if two factions support the proposal, she said.

Other FPDI members, Sabam Sirait and Sutarjo Suryoguritno, also stated their support for the proposal. We welcome this proposal. It's not just 20 people who support it but all 56 of the members of FPDI, said the Deputy Chairman of FPDI Sutardjo.

FPP has already presented the proposal on changes to the election legislation to the armed forces faction (FABRI). FABRI Chairman Suparman has promised his faction will study the material. Suparman maintained the 1985 election legislation was still relevant although it may require some improvements in its implementation.

It is in FPP's interests to gain the support of at least one other faction before the proposal is handed over to the parliament because in chapter 134 of the parliamentary regulation, a proposal must have the support of at least 20 people from more than one faction. The proposal will then be considered in the parliamentary plenary meeting.

Laos

Laos: Report on 18 Mar Activities of Sixth Party Congress

BK1903005596 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 19 Mar 96

[FBIS Translated Text] Our live coverage of the majestic opening ceremony of the Sixth Congress of the Lao People's Revolutionary Party [LPRP] at the National Assembly in Vientiane on 18 March morning, showed Khamtai Siphandon, chairman of the LPRP Central Committee and prime minister of the Lao People's Democratic Republic, making an opening speech and reading a political report to the congress.

In the afternoon session, Thongsing Thammavong, Political Bureau member of the LPRP CC and head of the LPRP CC Organizational Board, presented the party's amended statute to the congress. After that, Do Muoi, general secretary of the Communist Party of Vietnam, addressed the meeting, wholeheartedly hailing the Sixth Congress. This was followed by the secretaries of the party committees of the [Vientiane] Municipality, the National Defense Ministry, and Champassak Province, who took their turns to present their views.

Laos: Proceedings of 6th Party Congress on 19 Mar Reported

BK1903142996 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 19 Mar 96

[FBIS Translated Text] The sixth Congress of the Lao People's Revolutionary Party entered its second day today. Today's session proceeded under the chairmanship of Oudom Khatthi-gna, Political Bureau member of the party Central Committee and chairman of the Lao Front for National Construction. Today, various ministers and secretaries of various provincial party committees continued to take turns presenting reports to the congress. The congress proceeded in a lively atmosphere and with a high sense of responsibility on the part of the delegates.

Laos: 'Major' Party Leadership Change 'Expected'

BK1903021896 Bangkok THE NATION in English 19 Mar 96 pp A1, A2

[Report by Kunlachada Chaiphiphat]

[FBIS Transcribed Text] Vientiane — The ruling communist party of Laos is expected to undergo another major leadership change with President Nouhak Phoumsavan indicating that he will step down to pave the way for younger leaders to steer the course of national development.

According to party sources, 82-year-old Nouhak said he is willing to retire because of his health. If he does so, he is likely to become a party adviser, as have previous ailing old guards.

The change would strengthen the party's role in socioeconomic development, as the party's sixth congress began yesterday.

Clear steps have been laid out to achieve the successful implementation of economic policies up to the year 2020, when Laos is expected to emerge as a modernized agricultural and industrial state.

Appearing at the congress, held at the National Assembly building, soft-spoken Nouhak occasionally gave short speeches as the conductor of the meeting. He invited Khamtai to give the opening address and to read out the political report of the party's central committee.

Seated in the front row on the stage, Nouhak, ranked number two in the party, was flanked by Cambodian People's Party leader Chea Sim and Vietnamese Communist Party chief Do Muoi.

Khamtai, as the party's chairman and ranked number one in the politburo, sat in the middle of the stage in the front row and was flanked by Do Muoi and the secretary-general of the Chinese Communist Party's central committee, Wen Jiabao.

Funcipec [National United Front for an Independent, Neutral, Peaceful and Cooperative Cambodia] party chairman and Cambodian First Prime Minister Prince Norodom Ranariddh sat beside national assembly chairman Saman Vi-gnaket.

The party's 10 highest ranking members, the seven politburo members plus three representatives of the party's key organizations, were also present.

Behind them was the bronze statue of late Kaysone Phomvihan, a gift from North Korea. The backdrop was decorated with party slogans and flags with a painting of Marx and Lenin to its left.

The election of party members to the central committee is due tomorrow. There are four candidates for three positions in the 11- member politburo, Minister for Forestry and Agriculture Gen Sisavat Keobounphan, Foreign Minister Somsavat Lengsavat, Minister for Information and Culture Osakan Thammatheva and Minister for Communication, Transport Post and Construction Phao Bounnapon.

Khamtai, 72, is widely expected to be reelected party chairman and to take Nouhak's place as head of state, thus holding dual positions of authority, last held by national hero Kaysone Phomvihan at the last congress in March 1991 before he died in 1992.

The elevation of Khamtai will leave the premiership vacant with three prospective candidates, Deputy Prime Minister Khamphoui Keoboualapha, Defence Minister Choummali Sai-gnason and National Assembly chairman Saman Vi-ngaket all of whom are politburo members, in line for the top executive job.

However, a source said the election of the prime minister will be secretly conducted among the newly elected politburo members. An official announcement of the cabinet reshuffle will be made later during the national assembly meeting in April.

Political observers said Choummali is most likely to become prime minister considering his record in security matters, which is crucial for the country's economic advancement. He ranks sixth in the politburo while Khampoui ranks seventh.

"It is 60 per cent sure that Nouhak will step down," said an Asian diplomat.

Addressing the congress, party president and prime minister Khamtai said the party needed to expand its role in responding to the changes but that such expansion must be based on quality, not quantity. The party's members, he said, increased by 15,000 to 78,000 against 60,000 at the fifth congress in 1991.

The three-day congress is being attended by 381 delegates, including members of the central committee, as appointed representatives of the party's provincial branches and their guests.

Today, reports on the country's development will be presented by selected representatives.

Tomorrow, the congress will adopt a formal resolution and hear the results of the election of members of the parks central committee. The congress will end with a closing speech by Khamtai in the afternoon.

Laos: Sixth Party Congress Closing Day Agenda Reported

BK2003021796 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 20 Mar 96

[FBIS Translated Text] Today is the last day of the Sixth Congress of the Lao People's Revolutionary Party [LPRP].

The sixth party Central Committee [CC] will hold its inaugural meeting this morning. In the afternoon, the Sixth Party Congress will continue in session under the chairmanship of Nouhak Phoumsavan, Political Bureau member of the LPRP CC and president of the Lao People's Democratic Republic, where a report on the outcome of the election of the party's highest leadership organization will be presented.

After that, the draft resolution of the congress will be adopted and other resolutions endorsed. Following that, Vientiane residents will be allowed to hail the success of the Sixth Party Congress. The chairman of the LPRP CC is then scheduled to address the gathering, officially closing the Sixth Party Congress.

During the morning session yesterday, which was the second day of the congress, secretaries of many ministerial and provincial party committees took turns to express views at the meeting. Saisomphon Phomvihan, member of the LPRP CC and finance minister, also addressed the congress.

Laos: Party Chairman Closes Sixth Congress 20 Mar

BK2003130096 Vientiane Vitthayou Hengsat Radio Network in Lao 0851 GMT 20 Mar 96

[Speech by Khamtai Siphandon, chairman of the Lao People's Revolutionary Party Committee, to the closing session of the Sixth Party Congress in Vientiane — live]

[FBIS Translated Text] Respected Presidium members, revered senior Buddhist monks, respected domestic and foreign guests, respected foreign diplomats and representatives of international organizations, beloved delegates to the congress:

Today the Sixth Congress of the Lao People's Revolutionary Party [LPRP], which proceeded in an energetic atmosphere imbued with profound significance, has ended with glorious success. The success of this congress has once again proved the unique solidarity and the high level of political responsibility of all the delegates as well as of our entire party regarding the destiny and future of the country. All issues raised for deliberation in the congress have been profoundly studied and discussed and they have all been unanimously approved. We are elated to note that this congress has firmly stressed the determination to continue to extensively promote and expand the principled restructuring line of our party with a view to building a firm basis and organization for the perfecting of the popular democratic system and building our country into a peaceful, independent, democratic, unified, and prosperous one. This is considered as a correct goal that clearly reflects the resolute perseverance and consistent stand of our party, which has always been loyal to the national interests and aspirations of the multiethnic people. Let us wholeheartedly hail the aforementioned glorious tradition of our party. [applause]

Our congress is pleased to express its wholehearted thanks to the senior revolutionary cadres, the representatives of the multiethnic people of all strata, and the Buddhist monks for having brought to our congress the strength of support of the entire people. [applause] I wish everyone good health and long life so that in accordance with each person's energy and wealth of experience, there may be maximum contributions to the goal of pushing forward with the campaigns that translate into ever more fruitful reality the resolution of the Sixth Party Congress as well as the restructuring cause. Our congress has the high honor to express its sincere thanks to the delegation of the Communist Party of Vietnam and the delegation of the CPC for having brought to our party and people the sentiments of traditional solidarity and friendship, encouragement, and support of comradeship and fraternity. [applause] Our congress has the honor to express its sincere thanks to the delegation of the Cambodian People's Party and the delegation of the FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] for having brought to our Lao people the time-honored close friendship of the Cambodian people. [applause] We would like to express our sincere thanks to the fraternal parties and other parties for having extended salutations and greetings and given support to our congress. [applause] We also wish to express thanks to foreign diplomats and representatives of various international organizations to our country for their friendship and for paying us the honor of attending our congress. [applause]

Beloved comrades, the Sixth Party Congress has successfully closed. But we still have the great responsibility to implement the resolution of the congress. Comrade members of the Sixth Party Central Committee, who have just been elected by the congress, are requested to uphold the spirit of responsibility and act as models in taking the lead in carrying out the restructuring cause as well as in maintaining traditional virtues. Let all delegates to the congress together promote and raise to an ever higher level their creative input in order to enable the entire party, Army, and people to come to profoundly understand the resolution of the congress. They are also requested to widely and continually boost and motivate the mass movements in order to bring about, step by step, prosperity and strength to the country, wealth and happiness to the people, and civilization and justice for the society. We are firmly convinced that with the correct direction set forth by the sixth congress, through the promotion and expansion of the profound patriotic tradition in coordination with the spirit of independence, self- mastery, endurance, and industriousness, which will give wealth and strength to the entire party, Army and people, and with the support and cooperation of fraternal and friendly countries and of international organizations, the cause of building a peaceful, independent, democratic, unified, and prosperous Laos will undoubtedly be established. [applause]

In an atmosphere full of a sense of pride and historic significance, on behalf of the Presidium, I hereby announce the Sixth Congress of the LPRP officially closed. Thank you.

Lao 'Sources': Nouhak To Remain President, Politburo Chief

BK2003042896 Bangkok BANGKOK POST in English 20 Mar 96 p 8

[Report by Saritdet Marukhathat]

[FBIS Transcribed Text] Vientiane — The Lao People's Revolutionary Party will announce the new Politburo line-up at the end of its three-day Congress, and sources say Nouhak Phoumsavan is likely to be re-elected and to remain president.

If some current ministers fail to be re-elected, a cabinet reshuffle could follow.

Deputy Prime Minister Khamphoui Keoboualapha is expected to go. Khamphoui was previously seen as a strong candidate for premier if party leader Khamtai Siphandon moved up to the presidency to replace Nouhak.

Maichantan Sengmani, another Politburo member who is state inspector on corruption, is also expected to fall.

Minister to the Prime Minister's Office Khamsai Souphanouvong might join the Politburo and become deputy prime minister, replacing Khamphoui, the sources say.

If these predictions prove correct, it is evident that the party is trying to consolidate its grip on power and to put the brakes on economic growth, which they see as too fast.

Government sources say the outcome of the meeting of the 40-year- old party is likely to be unexpected.

But diplomatic sources believe the 82-year-old Nouhak will step down because of his advanced age.

These sources say Gen Khamtai will leave the premiership to become state president, the same path his predecessor Kaysone Phomvihan took before dying in 1992.

Nouhak has made his decision on retirement and will be a party adviser, they say. Nouhak succeeded Kaysone.

Diplomatic sources say either Deputy Prime Minister Khamphoui or Defence Minister Choummali Sai-gnason will move up to prime minister, giving space in the Politburo for younger politicians.

Khamphoui has been a strong candidate for years having held responsibility for economic affairs. He also has a high international profile whereas Lt-Gen Choummali is low profile.

Former Politburo member Sisavat Keobounphan, agriculture and forestry minister, is set to return after being dropped in the previous congress in 1991.

Other likely new faces are Foreign Minister Somsavat Lengsavat, Finance Minister Saisomphon Phomvihan (a son of Kaysone), and Communications, Transport, Posts and Construction Minister Phao Bounnaphon.

Somsavat has been working in the international arena and is expected to use his diplomatic experience to carry Laos into the Association of Southeast Asian Nations next year.

Laos: 'Major Changes' Announced in Top Leadership

LD2003111696 Melbourne Radio Australia in English 1100 GMT 20 Mar 96

[FBIS Transcribed Text] In Laos, the ruling People's Revolutionary Party has announced major changes to its top leadership. The leading economic reformer and deputy prime minister Khamphoui Keoboualapha has been dropped from both the Politburo and the Central Committee. Peter Mears reports from the capital, Vientiane, that the changes were announced at the closing session of the party's sixth national congress.

[Mears] Mr. Kamphoui has long been considered a rising star in the party and was popular with foreign investors for speeding up business approvals and licenses. Having been dropped from the Politburo, it is now extremely unlikely that he will remain as deputy prime minister. A party insider said Mr. Kamphoui was felt to be pushing reforms, such as privatization, too quickly. However, he said foreign investors shouldn't worry as economic reform in Laos would continue.

The other major change was expected. The 82-year-old president of Laos, Mr. Nouhak Phoumsavan, has left the Politburo to become a special adviser. It is now likely he will also step down as president at the next session of the National Assembly, due in April.

Laos: Political Bureau, 6th Party Central Committee Members Listed

BK2003121396 Vientiane Vitthayou Hengsat Radio Network in Lao 0755 GMT 20 Mar 96

[Report presented by Comrade Thongsing Thammavong, Political Bureau member of the Party Central Committee, to the closing session of the Lao Sixth Party Congress — live]

[FBIS Translated Text] Respected Presidium, honored guests, beloved comrades representatives: in accordance with the assignment by the Presidium of the Party Congress, I would like to report the outcome of the election of the Central Committee of the Lao People's Revolutionary Party made in the sixth congress of our party, which is being attended by representatives from throughout the country.

The sixth Party Congress Central Committee consists of a total of 49 members, including four women. The Party Central Committee consists of members in various age categories as follows: those 60 years of age and over constitute 20.41 percent; those 46-59 years of age constitute 63.27 percent; and those 45 years of age and under constitute 16.32 percent. The oldest member is 72 years old, and the youngest 40. The average age of all members is 53 years. Three elected Party Central Committee members were members of the Communist Party of Indochina. A total of 75.51 percent of the Party Central Committee members became members of the party before 1975; and 24.49 percent became party members after 1975.

A total of 89.80 percent of the elected members participated in the national democratic revolution. All the 49 elected members have passed the tests and training courses of the actual revolutionary movement. They all have actively and couragely participated in the cause of renovation and have been good models for the cadres, party members, and public citizens in implementing the task of national defense and construction over the past 20 years. Most of the Party Central Committee members have received education both in the theory and system of national construction. A total of 90 percent of them received higher education; 53 percent received higher education in the field of science and technology. Of this number, 10 percent is above college level.

The list of names of the members of the Sixth Party Central Committee is as follows:

1. Comrade Khamtai Siphandon

2. Comrade Saman Vi-gnaket
3. Comrade Choummali Sai-gnason
4. Comrade Oudom Khatthi-gna
5. Comrade Thongsing Thammavong
6. Comrade Osakan Thammatheva
7. Comrade Boun-gnang Volachit
8. Comrade Sisavat Keobounphan
9. Comrade A-sang Laoli
10. Comrade Vongphet Saikeuyachongtoua
11. Comrade Khambou Sounisai
12. Comrade Somsavat Lengsavat
13. Comrade Nakhon Sisanon
14. Comrade Inpong Khai-gnavong
15. Comrade Thongloun Sisoulit
16. Comrade Phimmason Leuangkhamma
17. Comrade Mrs. Onchan Thammavong
18. Comrade Khampan Philavong
19. Comrade Sileua Bounkham
20. Comrade Mrs. Pani Yathotou
21. Comrade Somphan Phengkhammi
22. comrade Douangchai Phichit
23. Comrade Bounheuang Douangphachan
24. Comrade Saisomphon Phomvihan
25. Comrade Khamman Sounvileut
26. Comrade Thongvang Sihachak
27. Comrade Chansi Phosikham
28. Comrade Onneua Phommachan
29. Comrade Mounkeo Olakoun
30. Comrade Somphet Thipmala
31. Comrade Phoumi Thipphavon
32. Comrade Bouathong Vonglokham
33. Comrade Ounla Sai-gnasan
34. Comrade Chaleun Yiapaoheu
35. Comrade Thongsi Inthaphon
36. Comrade Soutivong Dalavong
37. Comrade Mrs. Davon Vongsak
38. Comrade Mrs. Bounpheng Mounphosai
39. Comrade Soukan Mahalat
40. Comrade Bouason Boupphavan
41. Comrade Bounthong Thipmani
42. Comrade Soutchai Thammasit
43. Comrade Khamphouang Phanthaphomma
44. Comrade Phandouangchit Vongsa
45. Comrade Khen Phalivong
46. Comrade Bounpon Bouttanavong
47. Comrade Khamkeut Veunkham
48. Comrade Khamboun Douangpan-gna
49. Comrade Sengyong Vongkhamchan

The inaugural meeting of the Party Central Committee unanimously elected nine comrades as members of the Political Bureau of the Party Central Committee as follows:

1. Comrade Khamtai Siphandon

2. Comrade Saman Vi-gnaket
3. Comrade Chummali Sai-gnason
4. Comrdae Oudom Khatthi-gna
5. Comrade Thongsing Thammavong
6. Comrade Osakan Thammatheva
7. Comrade Boun-gnang Volachit
8. Comrade Sisavat Keobounphan
9. Comrade A-sang Laoli

Beloved comrades, in recognition of the outstanding acts and inexhaustible devotion of Comrade Khamtai Siphandon, who in collaboration with the Political Bureau and the Party Central Committee, led the revolutionary task in our country, especially in enabling the cause of renovation to be carried out correctly and consistently, the inaugural meeting of the Sixth Party Central Committee unanimously reelected beloved Comrade

Khamtai Siphandon as chairman of the Party Central Committee. [applause]

The inaugural meeting of the Sixth Party Central Committee unanimously elected Comrade Vongphet Saikeu-yachongtua as chairman of the Party's Central Inspection Committee. [applause]

Recognizing his virtuous acts, his performance in various fields of the party, as well as his individual characteristics, the inaugural meeting of the Sixth Party Central Committee unanimously elected Comrade Nouhak Phoumsavan as adviser to the Party Central Committee. [applause]

Beloved comrades, the election of the party's highest leadership organization proceeded in a real democratic manner, showing the insight and solidarity that are fine traditions of the party, thus guaranteeing the continuity of the firm leadership of our party. Having the trust of all the representatives, the members of the Party Central Committee who have been elected in this congress will use their intellect, strength, and solidarity to shoulder the noble and heavy tasks assigned by this congress. Thank you. [applause]

Philippines

Philippines General Denies War Games Tied to PRC-Taiwan Issue

BK1803041296 Manila BUSINESS WORLD in English 18 Mar 96

[Unattributed report]

[FBIS Transcribed Text] Next month's Philippine-United States war games under the Mutual Defense Treaty is not seen to drag the Philippines into war with China if the current tension between the latter and Taiwan erupts into hostilities.

Armed Forces of the Philippines Gen. Arturo Enrile reiterated over the weekend that the planned bilateral military exercises is "not related to or a reaction to" the tension mounting between China and Taiwan. "We must disabuse the minds of the people from all speculations that these exercises with the Americans will drag the country into conflict with another nation," Mr. Enrile said.

As this developed, a ranking military official last Friday admitted that more U.S. warships are expected to arrive in the Philippines this week for port calls because of the possibility China will attack Taiwan if Taiwan pushes through with its democratic elections and declares independence from China.

The source said it is only practical for the U.S. warships to temporarily dock in the former Subic Naval Base because the Philippines is the closest country to Taiwan and has the capability to handle the docking and refueling of the warships. Expected to arrive in Subic Bay this week are the fuel tanker Niagara Falls and U.S. submarine Bremerton. The destroyers USS O'Brien and USS McClussky are expected to arrive in the country in the latter half of April.

Philippines Assures PRC of No Taiwan Participation in APEC

BK2003053096 Manila BUSINESS WORLD in English 20 Mar 96

[Unattributed reprot — received via Internet]

[FBIS Transcribed Text] The Philippines has assured China that Taiwanese President Li Teng-hui, who is expected to win the island's first presidential election on 23 March, will not participate in the leaders meeting of the Asia Pacific Economic Cooperation (APEC) forum this November in Subic.

Senior officials from Manila and Beijing, who held bilateral talks last week, said the Philippine Government will follow the same procedure of the United States, Indonesia and Japan when they hosted the previous APEC leaders' meetings. "The Philippines stated to China that the arrangements with regard to the participation of APEC member economies in the APEC leaders summit will strictly follow the model of previous summits," states the joint press communique of the RP [Republic of the Philippines]-China consultative meeting.

Foreign Affairs Undersecretary Rodolfo Severino and his Chinese counterpart, Tang Jiaxuan, held two days of bilateral discussions last week in Manila to address a range of issues which included the Philippine Government's preparations for the forthcoming APEC summit, of which Chinese President Jiang Zemin is expected to attend. But Taiwan's representative to Manila Hsien-Ching Chan, whose rank has the equivalent of an ambassador, said Mr. Li has every right to participate in APEC's leaders meeting this November. "As an economic organization, Taiwan as a full member of APEC is entitled to participate in all kinds of APEC activities on equal footing. This is the basic principle. That's why Mr. Li is entitled to participate in the APEC summit. This is the normal international practice," Mr. Chan told BUSINESS WORLD in an interview. He said Mr. Li had opted not to accept the invitations of the previous host governments because the Taiwanese leader did not want to create "inconveniences" to the countries concerned.

Philippines: Ramos Meets With Visiting Iranian Official

LD1503184196 Tehran Voice of the Islamic Republic of Iran First Program Network in Persian 1630 GMT 15 Mar 96

[FBIS Translated Text] Mr. 'Ala'eddin Borujerdi, our country's deputy foreign minister for Asia and Pacific affairs, today in Manila met Philippines President Fidel Ramos and submitted [Iranian] President Hashemi-Rafsanjani's written message to him.

According to the Central News Unit, Borujerdi emphasized greater expansion of cooperation between the two countries. He described the Islamic Republic of Iran's position towards regional and international developments and said that our country was prepared to resolve existing problems between the government and Muslims of the Philippines.

The president of the Philippines, on his part, referred to Hashemi-Rafsanjani's trip to Manila and said that there had been a noticeable increase in relations between the two countries since that trip.

He said that the completion of the Asia railway [as heard] was a victory for the nation and government of Iran and he invited Iran to invest in Philippines.

Philippines: Iranian Minister on Treatment of Minorities in Iran

LD1703225296 Tehran IRNA in English 2244 GMT 17 Mar 96

[FBIS Transcribed Text] Tehran, March 17, IRNA — Deputy Foreign Minister for Asia-Pacific Affairs 'Ala'eddin Borujerdi, in a meeting on Sunday in the Philippines with a senior leader of the Christians of the southern Philippines Willian Kortez, indicated that peaceful coexistence between the adherents of the divine religions was among the principle policies of the Islamic Republic of Iran.

Commenting that the Muslim residents of the Europe, despite being millions in number, have no representative in the parliaments of European countries, Borujerdi noted that the Iranian minorities enjoy the right to elect their representatives for the Iranian Majles.

He also added that the Iranian minorities are free to celebrate their religious ceremonies and that they take an active part in the social activities of the country.

At the meeting, Borujerdi expressing hope that the Filipino Muslims and Christians of the southern Philippines would be able to live togather in peace.

Kortez, in reply, expressed pleasure on his meeting with the Iranian official and indicated that endeavors of the Christian leaders of the southern Philippines were aimed at setting up peace and security in the sensitive region of the southern Philippines.

Toward the end of the meeting, the Filipino senior Christian leader stated that the Christian leaders of the southern region of his country appreciated the Islamic Republic of Iran for paying attention to religious minorities in the country.

Philippines Official Comments on Functions of ACTETSME

BK2003053696 Manila PNA in English 0015 GMT 20 Mar 96

[Received via Internet]

[FBIS Transcribed Text] Manila, March 14 (PNA) — The establishment of the APEC [Asia-Pacific Economic Cooperation] Center for Technology Exchange and Training for Small and Medium Enterprises (ACTETSME) is projected to provide an upward shove among small and medium time businesses.

In an interview, Jose Luis Ortiz, director of the Philippine small and medium enterprises (Philsme), pointed out "the ACTETSME is a boost to the sector since it is the first time that SME problems and concerns will be brought to the fore."

The Philippine SMEs are also eyeing further increment considering that the center will be established in the Philippines, thus, giving them greater access to varied information that will be stored in the ACTETSME dossier.

"The opening of the ACTETSME is providing a lot of eye-openers to all APEC participants, particularly on the aspect of information sharing," Ortiz said.

The ACTETSME building will rise in the Science Park inside the University of the Philippines complex in Los Banos, Laguna. It will be opened in November, in time for the Economic Leaders Meeting.

The center will function as a "secretariat" to facilitate, orchestrate, syndicate and exercise referral activities, and will have modular working units in: a) information sourcing and management; b) technology exchange, training and business promotion; and c) administration and project evaluation.

It will also be equipped with state-of-the-art electronic devices and systems, such as the webpage exclusive to ACTETSME; and other service delivery mechanisms.

Meanwhile, Ortiz noted despite the growing concern directed to SMEs by the 18-member APEC economies, the local SMEs can not still contain several problems that hinders growth of the so-called small-time enterprises.

These include the lack of clearing house of information, infrastructures and the worsening peace and order situation in the South.

"This has been our crusade from the very start and we hope the ACTETSME and the Philippine government could help us provide concrete solution to these problems," Ortiz noted.

Philippines: Napocor Plans To Bid Out 2 Power Projects

BK1803141796 Manila BUSINESS WORLD in English 18 Mar 96

[Report by Manolo A. Serapio, Jr. — received via Internet]

[FBIS Transcribed Text] The National Power Corp. (Napocor) will be using the 3,000-megawatt (MW) capacity allotted to run on natural gas from the Camago-Malampaya fields in offshore northwest Palawan.

This came about as the power firm plans to bid out separately the 1,200-MW greenfield plant in Batangas and the conversion of the 1,500-MW Philippine Nuclear Power Plant [PNPP].

The two projects will be offered to interested bidders simultaneously possibly by August.

"We were able to enter into an additional contract for power sales with Meralco. (Either the greenfield or the PNPP) can come in earlier, whichever is cheaper," president Guido Alfredo Delgado said over the weekend.

The using of the 3,000 MW capacity for natural gas by Napocor was approved by its board during a meeting held last March 11.

Mr. Delgado said Napocor took into consideration the energy demand beyond 2003 when it decided to add 1,500 MW. "We saw that there were opportunities to develop further the gas market beyond (2003). This administration is making sure that there will be economical power beyond 2000."

But sources said the consortium of Shell Philippines Exploration and Occidental Petroleum (SPEX/OXY), the developers of the Palawan gas field, might not approve of the idea. "I doubt if (SPEX/OXY) will agree considering Napocor's financial unattractiveness to investors considering its dismal balance sheet," one source said.

The Camago-Malampaya reserves in offshore northwest Palawan, the country's first substantial gas find, is enough to run a 3,000-MW plant for at least 15 years. The Department of Energy is committed to absorb the market being developed by the consortium of (SPEX/OXY). The gas fields should be available for power generation by 2001.

The 3,000-MW capacity was earlier divided between Napocor and the Manila Electric Co. [Meralco] which later passed on the development of the 1,500-MW capacity to First Gas Holdings Corp. (FGH), one of its independent power producers.

Mr. Delgado said "it is possible" for Napocor to take in the whole 3,000-MW market. "We have previous discussions with FGH and they have until end of the month to decide whether or not they will import LNG (liquefied natural gas) or the (Camago-Malampaya gas) for their 1,500-MW plants."

FGH, a joint venture of First Philippine Holdings Corp. and British Gas, has expressed plans to put up an LNG facility near their 880-MW plant in Sta. [Holy] Rita, Batangas to augment the plants' fuel needs.

FGH president Peter Garrucho Jr. said they are also considering running the 880-MW plants which will be on stream before 2000 on imported LNG if using distillate fuel will prove to be more costly.

While Mr. Garrucho confirmed there have been discussions with Napocor on their gas plans, he said FGH is still studying the LNG option.

"There is no basic deviation from (our earlier decision) to run the plants on Camago gas," he told BUSINESS WORLD.

Mr. Delgado assured there will be no excess power even with the addition of another 1,500 MW capacity. "Hopefully, the use of gas (which is cheaper than other fuel sources) will bring down the rates."

BUSINESS WORLD sources earlier said Meralco is only willing to buy the power from the PNPP if Napocor can assure the selling rate will be at least P [pesos] 1.39 per kilowatt-hour (kwh), the selling price of the 1,000-MW coal-fired plant in Sual, Pangasinan that will be on stream by 1998 or 1999.

During the first bidding for its gas project last year, Napocor gave the bidders two options: either bid for the construction of the 1,200-MW plant in Ilijan, Batangas or the conversion of the PNPP into a 1,500-MW gas-fired facility.

"We hope there will be more bidders this time when we separated the two projects," Mr. Delgado said.

From a roster of only nine bidders last year, only Swedish giant Asea Brown Boveri tendered a bid for the PNPP conversion.

Mr. Delgado said U.S. firm Texaco retains its 300-MW cogeneration plant also in Batangas as part of the 3,000-MW capacity.

Napocor has postponed the bidding for the greenfield project slated May 7 for at least two more months due to the changes in the project which will be reflected in the new bidding rules.

Philippines: Foreign Investments Rise 28 Percent To $5.24 Billion

BK2003053596 Manila BUSINESS WORLD in English 20 Mar 96

[Unattributed report — received via Internet]

[FBIS Transcribed Text] The country's inward foreign investments for 1995 climbed to $5.240 billion, a 27.5% increase compared with the $4.111 billion recorded the earlier year, based on the latest statistics from the Bangko Sentral ng Pilipinas or BSP (Central Bank).

The liberalization of the banking industry and the deregulation of the public transport sector were the primary reasons foreign investors find the country attractive.

The United Kingdom remained the country's top foreign investor with capital infusion of $1.821 billion last year, contributing 90.2% more than it did in 1994.

Hong Kong followed suit with investments totalling $1.084 billion, up 25% hike from the earlier year.

The US also sank in $1.061 billion, swelling 48% from the yearago level.

Of the top 12 foreign investors last year, all except for two posted marked increases in capital infusions. Malaysia led the pace with a 491.3% upsurge to $37.185 million over the previous year's $6.289 million. Only the Netherlands and Australia reduced capital infusions with decreases of 90.1% and 10.2%, respectively. The Netherlands' investments made the biggest plunge to $56.31 million from $570.22 million in 1994. Portfolio represented 84.4% of the total foreign investments last year. These were capital infusions made in the form of stocks, securities and bonds and are also known as "hot money" or "paper investments." The United Kingdom grabbed the lion's share or $1.768 billion of total portfolio investments last year, 91.6% greater than 1994 level. The US went past Hong Kong as the second biggest portfolio investor with $1.006 billion, rising 56.9%. Hong Kong came in third with $847.870 million, a minimal 3.6% uptick last year.

Meanwhile, direct investments component or capital directly infused to local industries slipped 7.6% to $815.001 million from $881.894 million in 1994. Japan continued to contribute the bulk or $244.485 million of direct investments.

Other major contributors of direct investments were Hong Kong, Singapore, the United Kingdom and the US.

Philippines: Muslim Rebels Deny War Threats if Peace Talks Fail

BK1803025496 Manila BUSINESS WORLD in English 11 Mar 96 p 8

[Report by Carlo B. M. Santos]

[FBIS Transcribed Text] The Moro National Liberation Front (MNLF) yesterday clarified they were not threatening the government with war if the peace negotiations fail. MNLF Chairman Nur Misuari has been reported as warning of a resumption of hostilities following a deadlock in peace negotiations.

Abet Iribane of the MNLF Secretariat in Metro Manila told BUSINESS WORLD that Mr. Misuari never threatened the Ramos administration with war.

"Mr. Misuari was only saying that war is a natural consequence of a misunderstanding (or breakdown of negotiations) between the two parties. Mr. Misuari has also directed the MNLF to fully support the peace negotiations," Mr. Iribane explained.

He said the MNLF will continue to hold consultations with the 13 provinces covered under the Tripoli Agreement and will not stop until "peace is given a maximum chance."

"We are optimistic the (deadlock) will soon be resolved and we will show to the public so long as the peace talks continue there will be no war with the MNLF. This will just strengthen the atmosphere of peace and commitment on both sides," he stated.

Mr. Iribani added the two sides are currently working out other means of determining the composition of the autonomous region to be implemented after a peace pact is signed before their next meeting in May.

The MNLF also declared that it will stand by its decision not to honor any plebiscite. "A plebiscite is a tyranny of numbers," Mr. Iribani explained.

He said the MNLF believes people in the south should first experience how it is to live under MNLF rule before deciding against it.

"The government and the people should understand that the MNLF is not taking away a chunk of land from the Philippines. We are not proposing Muslim rule, but a rule wherein Muslims play an active role. The autonomous region will still be under the government," he stated.

At present, only five provinces are expected to welcome MNLF rule. Of these provinces, four comprise the Autonomous Region for Muslim Mindanao (ARMM): Maguindanao, Tawi-Tawi, Sulu, and Lanao del Sur. Basilan is expected to be the fifth province to shift to the side of the MNLF.

The other provinces covered by the talks are Zamboanga del Sur, Zamboanga del Norte, North Cotabato, Sultan Kudarat, Lanao del Norte, Davao del Sur, South Cotabato, and Palawan.

Philippines: 15 Muslim Rebels Killed in Clash With Military

BK1803024396 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 2230 GMT 17 Mar 96

[FBIS Translated Text] Fifteen [figure as heard] people have been killed in a clash between the Moro Islamic Liberation Front [MILF] and military in Maguindanao. The encounter began last Saturday afternoon after MILF rebels raided some villages in Sultan Kudarat. Among those were a soldier, two civilians, and 15 MILF rebels. Government troops are continuing pursuit operations against the rebels using helicopter gunships. Because of the encounter, 3,000 residents have been evacuated from their homes.

In regard to this, the military reported an MILF attack on the 1st battalion headquarters in Lambayong Town, Sultan Kudarat. Some 200 rebels, using grenade launchers, were estimated to have taken part in the raid.

Philippines: Ramos Vows To Intensify Mindanao Socioeconomic Program

BK2003052196 Manila BUSINESS WORLD in English 20 Mar 96

[Unattributed report — received via Internet]

[FBIS Transcribed Text] Government will not be drawn into another long-drawn conflict in Mindanao but will not back off from its commitment to protect socioeconomic projects and residents in the area. Speaking at the opening ceremony of the National Anti-Poverty Summit at the Philippine International Convention Center, President Ramos yesterday said government will intensify the implementation of its social reform agenda, especially in poverty-stricken Muslim Mindanao and the Cordillera Administrative Region. "Peace in Muslim Mindanao will be achieved through socioeconomic programs such as job-creating investments, affordable housing, quality basic education, quality primary health care and other programs that make life better," Mr. Ramos said.

Following a spate of attacks by the Moro Islamic Liberation Front (MILF), he added, "Nevertheless, I have directed our Armed Forces to protect our peace and development efforts against lawless elements." Defense Secretary Renato de Villa cautioned against reacting spontaneously to threats by MILF deputy chief Al Haj Murad that the 6,000 to 10,000-man MILF will conduct a "jihad" (holy war) in Central Mindanao unless government pares down its 20,000-troop contingent in the region.

Philippines: Ramos Approves Lethal Injection for Death Penalty

BK2003113896 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 0945 GMT 20 Mar 96

[FBIS Translated Text] Lethal injection will be used as a form of the death penalty. This law was signed by President Ramos earlier to show that the government is serious in punishing those who commit heinous crimes. This is alleged to be the most humane form of punishment for the 131 convicts sentenced to death. This is also alleged to be the cheapest form, costing only $50 or a little more than P[pesos]1,000.00, as compared to an electric chair or a gas chamber that cost millions of pesos.

Thailand

Thailand: Polish Prime Minister Arrives for Talks

LD2003130196 Warsaw Polskie Radio First Program Network in Polish 1105 GMT 20 Mar 96

[FBIS Translated Text] Prime Minister Wlodzimierz Cimoszewicz arrived in Bangkok today at the start of a two-day official visit to the Kingdom of Thailand. His visit will focus on economic contacts.

Prime Minister Wlodzimierz Cimoszewicz has already visited an industrial center, a special economic zone where investors receive large tax allowances. Among other things, the prime minister saw the Mitsubishi plant and a container port.

Tomorrow Prime Minister Cimoszewicz will meet the head of the Thai Government and will be received by King Phumiphon Adunyadet.

Thailand: TelecomAsia Announces Participation in Satellite Bid

BK1803081996 Bangkok THE NATION in English 18 Mar 96 p B2

[Report by Utsani Mongkhonphon]

[FBIS Transcribed Text] Planning to adopt a more aggressive approach, TelecomAsia Corp Plc has announced it will participate in the Defence Ministry's [Thai baht] Bt26 billion military satellite bid.

The ministry has already set the bidding rules and hopes to start accepting tenders soon.

The satellite project, which started to take shape last year, is currently being objected to by Deputy Prime Minister Thaksin Chinnawat, who doubts the project's cost and advantages.

Thaksin claimed his company, Chinnawat Satellite Plc, the operator of Thaicom satellites, will not be greatly affected if the country gains another satellite.

The ministry plans to invite bids on a government to government basis. The list includes five countries with leading space technology — the United Kingdom, the US, Israel, France and China.

According to Gen Phaibun Emphan, the Defence Ministry's permanent secretary, the private sector will be allowed to operate the military satellites' Ku-band transponders — the digital part of the satellites' capacity which will be suitable for the broadcasting industry — for commercial services to help fund the project.

Wanlop Wimonwanit, TA's director, said on Friday that TA is looking for parterns to bid for the project. "TA is interested in the project because it is involved with the satellite business and should not lose the opportunity to exercise its expertise," he said.

An affiliated unit of TA holds a stake in Hong Kong-based APT Satellite Co, which is engaged in an orbital slot dispute with Chinnawat Satellite. Wanlop did not elaborate on TA's expertise, but said that the company, although one of seven shareholders, does not have a management seat in APT.

The telephone company has taken part in almost every key communications infrastructure development, including the basic telephone network and optical fibre facilities, with the exception of satellites.

British Aerospace, in partnership with British-French concern Matra Marconi, is expected to be the favourite for the bid. Phaibun said the bid rules will be based on the British manufacturers' standards because both have assisted with the project from the start.

The satellite project is the second serious conflict of interest between the two telecom giants. TelecomAsia, the largest private telephone company, is fighting hard to enter Chinnawat's well- protected cellular mobile phone business.

Thaksin and his Chinnawat group are working on ways of easing the widening conflicts with TelecomAsia and its parent, the country's largest conglomerate, Charoen Phokkhaphan Group.

Thailand: Army Views Thaksin Criticism of Satellite Project

BK2003042496 Bangkok BANGKOK POST in English 20 Mar 96 p 1

[Unattributed report]

[FBIS Transcribed Text] Deputy Prime Minister [DPM] Thaksin Chinnawat's harsh criticism of certain senior military officers pushing for the procurement of the 26-billion baht "Star of Siam" satellite project has caused his relationship with the armed forces to plummet to a new low.

The Supreme Command headquarters unleashed its full fury against Mr Thaksin on military radio yesterday, describing his statement on Monday as harbouring "ill-intentions" and sowing the seed of misunderstanding among the people.

Mr Thaksin was already locked in a war of words with several high-ranking military officers over the merit of the communications satellite project when he apparently added fuel to the fire on Monday when responding to a reporter's question if the planned military satellite should also provide commercial services.

Mr Thaksin, who has an interest in the Chinnawat Group that operates the two Thaicom satellites, enraged the armed forces by responding: "If the military (officers) want to get involved in commercial activities, they should resign and engage directly in business. One should not mix the two together."

In his statement made through the "Heart-to-Heart" evening programme broadcast on all military radio stations last evening, Supreme Command spokesman Rattana Chaloemsaenyakon said Mr Thaksin's statement had damaged the military's image in the eyes of the public.

"(Mr Thaksin's) statement harbours ill intentions and distorted the facts which could cause the public to misunderstand the armed forces. All soldiers are offended by his attitude," said Lt-Gen Rattana in a broadcast. Military radio stations rarely broadcast political commentaries since the Bloody May crackdown.

Lt-Gen Rattana told reporters earlier yesterday he had received numerous telephone calls from senior military officers who told him that Mr Thaksin's remark conveyed a message that Thai soldiers are people of no dignity.

"We have to do something to retaliate against such a remark. We don't want those kind of words to come out of Mr Thaksin's mouth and be forgotten without his showing some sort of responsibility," he said.

Defence Minister Chawalit Yongchaiyut said military officers were very upset with Mr Thaksin for his remark on the military satellite project.

Gen Chavalit said Mr Thaksin's remark that military officers should resign was too harsh. The Defence Minister said he doubted if Mr Thaksin had really said such a harsh thing.

"It is too harsh a word as the military had already sacrificed their lives for the country and national security. We still hope that Mr Thaksin did not make such statement. He might not understand that military officers devote their lives to the country and nothing else.

"He (Mr Thaksin) is not the kind of person who would criticise anyone helping the country such as soldiers in the armed forces" he said.

However, the military has to be more tolerant," said the Defence Minister who yesterday reportedly reprimanded Defence Permanent Secretary Phaibun Em-phan for his negative comment against Mr Thaksin which is believed to have triggered the latest war of words.

Gen Chawalit said Mr Thaksin might have been upset over Gen Phaibun's remark that he allegedly opposed the project because he wanted to protect his business interests in the Chinnawat Group which owns and operates a communications satellite service.

"I don't think that he (Mr Thaksin) would do anything just to protect his interests as he is known as a knowledgable person and knows there is a big difference between civilian and military satellites.

"I understand him and forgive him for what he has said," said the Defence Minister adding that the military satellite if approved by the Cabinet would not be rented for commercial use once the project was implemented.

He said the Defence Ministry had already prepared its report to be presented to the Cabinet for consideration.

Mr Thaksin, however, denied he used harsh words to counter Gen Phaibun's allegation, saying that he graduated from Chunlachomklao Royal Military Academy [name of academy as published] and therefore he admired the military.

"I have great admiration for professional soldiers and ones who have devoted their lives to the country," said Mr Thaksin who insisted he had no personal conflict with anyone, not even the Defence Minister.

He said he was worried the Government could not afford to buy the satellite. "What is still unclear is who would pay for the project," said Mr Thaksin.

Vietnam

SRV Paper on 'Quiet Offensive' by U.S. 'Right Wingers'

962E0011A Hanoi QUAN DOI NHAN DAN in Vietnamese 25 Dec 95 pp 1,4

[Article by Quang Loi: "Quiet 'Penetration' of the Undertows"]

[FBIS Translated Text] Our country is widely opening its doors for exchanges with the outside world. The policy of "international relations diversification and multilateralization," which has been actively and consistently carried out over the past few years, is creating a favorable international environment for our renovation undertaking.

As of late 1995, Vietnam had established diplomatic relations with 180 countries and most of the international and regional organizations. Especially, following the normalization of relations with the United States, our country has for the first time achieved full relations with the five powers that are the permanent members of the UN Security Council. In addition, Vietnam's admission into ASEAN and its signing of the Framework Treaty with the European Union have given a fresh impetus to the process of our country's deeper integration into regional and international life. Moreover, Vietnam does not have to step out into the world to make integration happen, because the country itself is becoming a vibrant, attractive place for international integration. Over the past two years, dozens of high-level delegations led by heads of state and government prime ministers, hundreds of ministerial-level delegations, and thousands of delegations of economic conglomerates, corporations, and businessmen... have visited Vietnam. More than 800 companies from over 50 countries that have invested over $17 billion in Vietnam, and this fact alone is a lively testimony to the correctness of that remark. Peace, cooperation, and development are the moving force of this integration process.

However, in that radiant, warm atmosphere of international integration, once in a while one can feel the chill of some unfamiliar winds blowing in from afar. It is regrettable indeed that even today several forces still refuse to stop viewing the world through a pair of cold-war glasses. After East Europe and the Soviet Union, Vietnam has become the target of a strategy called "transformation."

Mr. Henry Kissinger, the architect of U.S. foreign policy during the Vietnam War, author of several famous doctrines, and a man considered to be one of the "godfathers" of the "transformation strategy," contends that "Vietnam has won in war, but will lose in peace." According to some experts of various U.S. foreign policy-making agencies, Washington's defeat in Vietnam was only a tactical setback in the elimination round; but the final victory—the victory in peace—will belong to the United States, and America will advance to that victory by means of the "transformation strategy." This strategy will be carried out through two processes, promoting democracy and implementing market economy.

These strategists hold that Vietnam's current building of a market economy is a basic condition for them to solve the "Vietnam problem" after normalization of relations. In their view, the Vietnamese government is still in control of the situation, but in the near future, once the market economy has developed vigorously in conjunction with rapid privatization and capitalization processes, the current "control" would gradually lose its effectiveness. At that time, "the tight political robe" would be torn to shreds by the robust market-economy body. It is at that moment that the stability of—or temporary balance between—market economy and the socialist political system would be upset. These strategists contend that, at that juncture, no magic wand would be able to create a peaceful coexistence between the socialist political system and an extensively privatized and capitalized market economy. They dream that, on the foundations of a market economy no longer operating along the socialist line because of the loss of the government's control and regulatory capabilities, the "new factors" that they have planted and nurtured would emerge, creating a new disposition and a new arrangement of forces from which new political system would naturally come into being (!)

According to the "transformation strategy," market economy would naturally and inevitably lead to a "free political system"—that is, on the wings of a market economy, the democratization process would take off to reach a "free political system." No wonder that we have recently received no few instructions in the form of "advice"—which often sounded like impositions—that Vietnam will not be able to integrate into rapid international and regional economic development without a close connection between "economic freedom" and "political freedom."

Within the framework of the "transformation strategy," they have attacked us on many fronts—economic, ideological, cultural, diplomatic...—by means of very "soft," insidious, and sophisticated maneuvers which are at times also very blatant. They have struck at every kind of target, aiming first of all to transform businessmen, intellectuals, the youth, students, and cadres in our party and state apparatuses, hoping to effect "self-induced evolution" within our ranks.

The "transformation strategy" is essentially the "peaceful evolution" strategy which helped the United States and the West break up the socialist system in East Europe and the Soviet Union, thus winning victory in the East-West Cold War. However, since the "transformation strategy" is being implemented in a special area, which is Vietnam, against a special target, which is the various generations of Vietnamese, it naturally takes on peculiar characteristics. Vietnamese political, economic, historical, and geographical conditions as well as the customs, habits, cultural traditions, and psychology of the Vietnamese people are taken into considerations in the implementation of all measures taken under this strategy. These are invisible, alluring, caressing waves of attack. The undertows of these attacks would "penetrate" in a very subtle manner; that is why even if they are detected they may create a very vague impression and easily be dismissed as "harmless."

By pointing out the aforementioned facts, we do not intend in any way to cast a pall of suspicion over international cooperation. All the intentions and measures to "transform Vietnam" have more than once unequivocally enunciated by some responsible officials in various U.S. policy-making agencies. They have worked out the different steps on a pre-determined track. They have openly stated their intentions and openly applied measures because they think that this is an irresistible offensive. Could it be that this is a "declared war" in peacetime?

International integration is a correct, highly necessary step that is totally in line with the trend in our time. Nowadays, no country, large or small alike, can develop outside the regionalization and globalization currents.

Vietnam has gained increasingly greater self-confidence on the novel and tortuous path of international integration. "Vietnam wants to befriend all countries of the international community and will strive for peace, independence, and development", a correct policy of our party and state which is being consistently and effectively implemented. Nothing can make us hesitate about or deter us from pursuing international cooperation in the interest of peace and development.

Normalization of relations is a watershed event taking Vietnam-U.S. ties into a new era. We are pleased to note that the great majority of the American people and many people in the U.S. political circles want to take our bilateral relations forward and out of the dark shadow of the past.

Through concrete actions, many major U.S. economic corporations and conglomerates have realized their intentions to seriously carry out long-term business in Vietnam. As of late 1995, the United States had reached the seventh place among the countries investing in Vietnam.

We opened and are still widely opening our arms of friendship with sincerity to welcome our foreign friends who come to cooperate with us in business. No reason and no pressure can make us give up national independence and sovereignty, change our colors, or deviate from the path and objective that Uncle Ho and our army and people have chosen.

International integration is not an enchanted path. On this path, cooperation always goes hand in glove with struggle and opportunity is always accompanied by challenge.

SRV: More Vietnamese Refugees To Be Repatriated

BK1903152696 Hanoi Voice of Vietnam in English 1000 GMT 19 Mar 96

[FBIS Transcribed Text] Some 35,000 more Vietnamese living in refugee camps in Hong Kong, Japan, and Southeast Asian countries are going to be repatriated under program carried out with the assistance from the United Nations High Commission for Refugees.

Official sources say that 70 to 75 percent of returnees in provinces and cities with a high percentage of returnees such as Haiphong, Quang Ninh, Ho Chi Minh City, Thua Thien-Hue, and Quang Nam-Danang have a stable life.

SRV: Do Muoi Addresses Sixth LPRP Congress

BK1903145296 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 18 Mar 96

["Full text" of speech by CPV General Secretary Do Muoi to the Sixth National LPRP Congress in Vientiane on 18 March — read by announcer]

[FBIS Translated Text] Dear Beloved Chairman Comrade Khamtai Siphandon, Congress Presidium, Congress Delegates, and International Delegations: We are very pleased to attend the Sixth National Congress of the Lao People's Revolutionary Party [LPRP] on behalf of the Communist Party of Vietnam [CPV]. On this jubilant occasion, we would like to convey our warmest congratulations to the congress, the LPRP, and the fraternal Lao people of all ethnic groups.

The Sixth LPRP Congress is an event of especially important meaning in Lao social and political life. Certainly, it will create a strong development step in the revolution undertaking and continue to build and develop the people's democratic regime, thus creating requisites for gradual and firm steps to lead Laos to socialism.

Dear comrades, the CPV delegation attentively listened to the political report of the fifth LPRP Central Committee presented to this congress by LPRP Central Committee Chairman Khamtai Siphandon, a steadfast revolutionary soldier and brilliant leader of the Lao party and people. The political report is a document reviewing the practical situation in the current era of the Lao revolution. It reflects the spirit of independence, sovereignty, and self-reliance and outlines the correct line for the continued implementation of the ideals, goals, and aspirations of the Lao people of all ethnic groups.

In the last ten years, under wise LPRP leadership, the Lao people of all ethnic groups have overcome numerous difficulties and challenges to conduct the renovation with great and important achievements. The Lao economy has developed continuously, especially in the last five years. The Lao economy has been developed in close coordination with the settlement of social issues. The political situation has been stabilized. The life of the Lao people of all ethnic groups has improved clearly. The political system has been renovated gradually. National defense and security have been strengthened. Revolutionary achievements have been safeguarded. Social order and security have been ensured. External relations have been broadened. The position of the Lao People's Democratic Republic [LPDR] in the international arena has been heightened with every passing day.

The CPV and the Vietnamese people heartily welcome these achievements recorded by the fraternal Lao party and people. These achievements have helped to make the face of the Lao country more beautiful and have actively contributed to the cause of peace, cooperation, and development in Southeast Asia and the Asia-Pacific region.

The political report of your comrades presented to this congress outlines the goals, directions, duties, and steps for the renovation in Laos from now until the year 2000 in conformity with the practical conditions in Laos. It aims to: strengthen the LPRP leadership; consolidate the national unity bloc of the Lao people of all ethnic groups; heighten the spirit of independence, sovereignty, and self-reliance; and combine the national strength with the strength of the era. These things lead to very brilliant prospects for the LPDR to enter the 21 century, strongly develop the people's creativity together with its efforts to broaden international cooperation, and exploit all its potential in a more efficient manner.

On this occasion, we sincerely express our appreciation and highly value the policy of this congress for the continued strengthening of special unity, for the acceleration of comprehensive cooperation between the two parties and peoples of the fraternal Vietnamese and Lao peoples, and for the continued renovation and improvement of our cooperation.

Dear comrades, at present, we are actively preparing for the Eighth National CPV Congress to review experiences in the last ten years of our renovation, supplement and perfect the renovation line, outline directions and tasks for the 1996-2000 five-year plan on socioeconomic development, and set forth our goals until the year 2020.

Our renovation undertaking in the last ten years has recorded great achievements with very important significance. The tasks outlined by the Seventh National CPV Congress for the period from 1991-1995 have been fundamentally completed. Our country has extricated itself from the socioeconomic crisis, despite some areas that have not been effectively strengthened. The duty set forth for the first stage of the transitional period — which was the preparation of requisites for the industrialization — has been fundamentally completed, thus creating the strength and position for our country to enter a new development period, a period for the acceleration of industrialization and modernization to transform Vietnam into an industrial country after a couple of decades.

Our entire party and all of our people will carry out the following tasks from now to the year 2000: By holding fast to Marxism-Leninism and Ho Chi Minh ideology, we strive to accelerate the renovation process in a comprehensive and concerted manner. Continued efforts are being made to promote the multisectoral economy based on the market mechanism under state management and according to socialist orientations in order to achieving the goals of enriching the people and making the nation powerful and of bringing about justice and civilization in society. We continue to carry out our foreign policy of independence, sovereignty, openness, diversification, and multilateralization. The objectives of our party and state's foreign policy are to strengthen our friendship and multifaceted cooperation with neighboring and regional countries as well as with socialist countries and traditional friendly states. It is also the objective of our foreign policy to broaden cooperation with all countries and all economic and political centers worldwide and to positively participate in appropriate multilateral mechanisms built upon the principles of respect for each other's independence, sovereignty, and territorial integrity, of nonintervention into each other's internal affairs, and of equal and mutually beneficial cooperation.

The CPV continues strengthening its solidarity and cooperative ties with all communist and worker parties, progressive parties and political movements, and world peoples who are striving for peace, national independence, democracy, and social progress. At the same time, our party continues to further broaden its relations with all ruling parties to promote state-to-state and people-to-people relations, with a view to strengthening friendship and mutual understanding among nations of the world.

Dear comrades, the CPV and LPRP share the same roots and ideals and are closely bound together by a special friendship, solidarity, and comprehensive fraternal cooperation. The Vietnam-Laos relationship cultivated by great President Ho Chi Minh and venerated President Kaysone Phomvihan has not only stood the test of time but has also become firmer with every passing day, thanks to the painstaking efforts of our two parties to foster it. This is an example of loyal and pure international relations. As President Ho Chi Minh put it, the love between Vietnam and Laos is more profound than the water of the Red and Mekong Rivers.

Vietnamese generations today and tomorrow will always attach great importance to this strategically close relationship, considering it a precious heritage and a fine tradition contributing to creating the great strength of our two parties and peoples.

We pledge to do all we can to preserve and constantly develop that relationship and to renew the contents, modes, and mechanisms of Vietnamese-Lao cooperation in all fields to suit the new situation and achieve practical results in the interest of the two peoples and for the sake of peace, stability, and development in Southeast Asia and the Asia-Pacific region.

Once again, on behalf of the Vietnamese party, state, and people, I would like to avail myself of this auspicious occasion to express profound thanks to the Lao party, state, and people for their solidarity and wholehearted support to the Vietnamese Revolution in the past many decades of wars for national independence, reunification as well as in the current process of national renovation, construction, and defense.

Dear comrades, it is our firm belief that the Sixth LPRP Congress Resolution will illuminate the way for the Lao people to take a vigorous step forward, achieve even greater victories in the renovation process, and develop Laos into a peaceful, independent, democratic, united, and prosperous country.

Prompted by the profound sentiments of comradeship and brotherlihood, we would like to wish the Sixth LPRP Congress brilliant success. Long live the glorious LPRP! May the special friendship, solidarity, and comprehensive cooperation between the parties and peoples of Vietnam and Laos last forever!

SRV Daily Reveals Smugglers' Routes, Activities

962E0026A Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 9 Jan 96 p 2

[Article by Anh Khue]

[FBIS Translated Text] Smuggling in the central and southeastern regions of our country is still quite prevalent and is even on the rise. To the west at the Lao Bao Pass in Quang Tri Province, smugglers have formed gangs and use trucks to transport smuggled goods from the border to distribution centers deep inside the country. Each day, tens of thousands of packs of foreign cigarettes are smuggled into the country across the border here. In the Duc Co zone in Gia Lai Province, the number of routes used to smuggle foreign cigarettes into the country has increased greatly. In the Trung Bo highlands areas through Pleiku, Dac Lac, and so on, people continue to destroy the forests and smuggle timber on a large scale. It impossible to control all the smuggling activities being carried on along the central coast from Quang Nam-Danang on south. At Qui Nhon Port, smuggling continues to take place on the open seas. Freighters transfer smuggled cargo to small boats, which then transport the goods to the owners and middlemen on shore, who then distribute the goods to many places in the country. The anti-smuggling forces lack the means and conditions to go out to sea to interdict the smugglers. Nor do they have the capabilities to interdict the smuggling routes or arrest the ringleaders. Binh Dinh customs officials once discovered a case involving the smuggling of electronic goods. Those who had transferred the goods from the freighter to the small boats for transfer to shore were arrested, but the ringleaders managed to escape.

Much Activity Along the Southwestern Border

According to estimates of investigation organizations, smuggling activities are most prevalent in the area from An Giang to Tay Ninh. During the past ten months, control forces in this border area have discovered 802 cases of smuggling, with the gross value of the goods being approximately 50 billion dong. That figure, however, represents only about ten percent of the total amount being smuggled in.

An Giang's border with Cambodia runs for 106 km. Along the border here, there are five river ports and one land pass. Smuggling is quite prevalent at the countryside markets near the border and along the transport routes. The most common items smuggled in across the border include cigarettes, video recorders, radio-cassettes, television sets, liquor, and clothing. The items smuggled out of the country include uncooked rice, crushed rice, and foreign currency. Recently, in just 1 day, An Giang customs officials discovered 230 tons of crushed rice that was going to be smuggled out. Prior to that, these forces seized almost $339,000 in two separate smuggling cases. Smuggling activities are most prevalent in Vinh Nguon Village in Chau Doc. Here, about 2 km from Ta Mau Hill in Cambodia, a market for goods smuggled from Phnom Penh has been established next to the border. This Ta Mau "bay" open-air market is very near a cluster of thatched huts in a field guarded and defended by Cambodians carrying weapons and communications equipment. During the dry season, the smugglers drive various types of vehicles very fast in the fields in order to bring goods in and out. During the rainy season, they use motorized sampans that can travel at high speeds to transport smuggled goods packed in aluminum crates or nylon bags. If they are discovered and pursued by anti-smuggling forces, they are ready to dump the goods into the water so that others following them can retrieve the goods and change course in order to avoid control. Even though the anti-smuggling forces have established two fixed checkpoints and a number of mobile inspection stations here, that is not enough to deal with the smuggling that goes on here day and night. Not only are there are a large number of smugglers who are very familiar with the area, but they also use vicious hoodlums who are prepared to use force to resist the control forces. In remote places or late at night, they throw bricks and rocks at the forces escorting goods and use means of transportation to steal the goods.

Since the implementation of the policy to destroy smuggled cigarettes, smugglers have stepped up smuggling operations in order to keep their income the same and even increase revenues from this. Poor people living along the border have been enticed to participate in smuggling activities. A person hired to transport smuggled cigarettes can make three trips a day. If the owner of the goods pays him 1,500 dong per kg, that is an income of 45,000 dong per trip, which is triple what he could earn during a day working the fields. Thus, even though these people know that this is dangerous, they still do it. As for electrical machinery, the smugglers dismantle the machinery and transport the various parts at different times. Even if they are checked and arrested, it is difficult to prosecute them. After reaching the interior, the machinery is reassembled and sold at the markets.

Located next to An Giang is Dong Thap Province, which has four passes located along the 52-km border with Cambodia. The main items smuggled in across the border here are cigarettes, electronic goods, clothing, art goods, and motorcycle parts. The main items smuggled out are rice, fertilizer, and timber. There are many rivers and canals here that facilitate smuggling operations. Thus, traders on the Cambodian side have built many godowns along the border in order to smuggle the goods into Vietnam. On that side, there is a 10-km border road that runs to So Thuong Village. There are 7-21 godowns there that have been equipped with radio antenna systems in order to provide communications to support smuggling operations. In addition to cigarettes and electronic goods, in the Thong Binh pass zone, many large sampans have been brought in recently to transport smuggled rice and timber from Vietnam to Cambodia. Dong Thap customs officials seized 100 cubic meters of logs that were being smuggled out of the country. These forces also caught Vo Thi Thuc, who lives in Hong Ngu, and two accomplices red-handed. They were using a motor boat to smuggle almost 7,000 packs of cigarettes. The cigarettes had been concealed inside 77 bags of rice. The smuggling methods used in Dong Thap are similar to those use in An Giang. During the rainy season, the smugglers use sampans with false bottoms and tops. They divide the goods into smaller quantities and make many trips. They use children 13-15 years old who have dropped out of school to carry cigarettes for them. Each child carries 5-10 kg of cigarettes. If they run into control forces, these children daringly jump into the water in order to escape. There have been many instances in which control forces have had to rescue children who were in danger of drowning. Hong Ngu customs officials have organized a guard unit at Hong Ngu. Because of this, they can keep abreast of the situation and coordinate things with forces at the passes in order to track down the smugglers. However, anti-smuggling work here is still encountering many difficulties. This is because people say that smuggling is a way to make a living. Another reason is that there is a lack of understanding and a lack of coordination between the functional sectors. There have also been cases of anti-smuggling forces helping the smugglers. In 1995, the anti-smuggling forces of the Dong Thap customs office discovered and reported 52 cases of smuggling, with the total value of the goods being almost 5 billion dong.

Is There Smuggling Along the Long An and Tay Ninh Borders?

Long An Province shares a 100-km border with Cambodia. The special characteristic of this border area is that the terrain here is fairly flat. During the dry season, Cambodian vehicles race to various places along the border. During the rainy season, it's easy for their sampans to ply this area. These are favorable conditions for the growth of smuggling. The main items smuggled into Long An are cigarettes and electronic goods; the main items smuggled out are rice, fertilizer, plastic goods for household use, sundry goods, and packaged noodles. According to data of the customs office Anti-Smuggling Investigation Department, each day people on the Cambodian side transport 300-400 crates of cigarettes and approximately 100-160 television sets and video recorders to the border. Smuggling activities are concentrated in the Binh Hiep pass area in Moc Hoa District. On the Cambodian side of the pass, an open-air market has been established to gather together goods to be smuggled into Vietnam. Every two days, Kamaz vehicles from the Cambodian interior bring goods to this open-air market. At night, smugglers use 4-5-ton motorized sampans to smuggle goods into Vietnam along the various waterways. The local authorities have stipulated that those who smuggle 50 kg of cigarettes will be prosecuted. The smugglers have responded by assembling groups of about 20 people and using large motorcycles. Each motorcycle carries two people and each person carries 49 kg of cigarettes. They drive very fast and so if officials try to block or chase them, an accident can happen very easily. In Binh Hiep Village, it's estimated that each day approximately 50 crates of smuggled cigarettes are transported along the roads in this village. During the rainy season, the smugglers mobilize large boats equipped with two automobile engines. Normally, they run on just one engine, but if they discover that there are control forces nearby, they use both engines in order to escape. Most of the ringleaders in Binh Hiep are also ringleaders in Moc Hoa and Ho Chi Minh City. Even though the village public security forces can arrest those transporting the goods, it is very difficult for them to arrest the ringleaders, because they always have people monitoring the activities of the anti-smuggling forces. These people notify them of what is going on. Last year, the control forces in Long An discovered fewer than ten percent of the smuggling cases. In this, customs forces discovered 66 cases, with the total value of the goods being approximately 26 billion dong. There are concerns about that the fact that while smuggling activities have been increasing, anti-smuggling operations in Long An have deteriorated because of the lack of coordination between the functional organizations. There have been many instances in which customs forces have arrested smugglers but a number of the other organizations have simply wanted to collect a tax and fine in order to earn revenues for the local budget. A number of functional organizations have sent people to escort smuggled goods to the district inspection station and prepare tax and fine receipts in order to transform the smuggled goods into legal imports. The smugglers use these legal receipts to smuggle in many more shipments of goods. In some places, village authorities are involved in the smuggling. Two village secretaries, one village chairman, and one assistant district public security chief have been disciplined. On the other hand, there is a serious shortage of equipment needed to combat smuggling while the smugglers have access to many types of modern equipment to carry on their activities. The district CPV committee and district people's committee in Moc Hoa District do not have any cellular telephones, but the smugglers have many mobile telephones to control their smuggling operations. In addition, the funds available for anti-smuggling work are very limited. During the year, the province's control unit collected 500 million dong from seizing smuggled goods, but it still couldn't pay all the expenses or pay rewards to those who had provided information.

Tay Ninh Province shares a 100-km border with Cambodia. The terrain here is quite open and easy to cross. Smuggling activities are concentrated in the areas near the Moc Bai and Sa Mat passes. The main items smuggled in and out are cigarettes, electrical machinery, art goods, cloth, clothing, foreign currency, and rice. Because the sectors have not coordinated things well and because of the lack of close guidance, the anti-smuggling operations have achieved very little, and very few smugglers have been arrested. What is worth noting is that recently there have again been cases of vehicles being temporarily admitted but not taken out of the country later. Almost all of those smuggling in vehicles using this form are Cambodian cadres and employees of various organizations. During the past year, Tay Ninh customs forces discovered 128 cases of smuggling, with the total value of the goods being 1.5 billion dong. And that does not include the 24 vehicles that were admitted temporarily but that were never removed from the country. The smuggling ringleaders in the Tay Ninh border area have been virtually wiped out. Now, there are only a number of ringleaders from Go Dau and Ho Chi Minh City. Customs officials at the Moc Bai pass discovered smugglers trying to illegally export 23 items produced in Vietnam. These goods had a value of 240 million dong. Smuggling activities here have had many evil consequences. In Ben Cau District along, 90 people were captured by Cambodians because they had purchased goods from them but couldn't pay for the goods. The public security forces and authorities in Ben Cau District actively intervened on behalf of these people and secured their release. It's estimated that they owe the Cambodians about 200 million dong.

SRV: Radio Hails Visit by EU Parliament Delegation

BK2003021596 Hanoi Voice of Vietnam in English 1000 GMT 19 Mar 96

[Station Commentary]

[FBIS Transcribed Text] A European Union [EU] parliamentary delegation led by Gunter Rinsche, chairman of [word indistinct] inter-parliamentary delegation, is now on a working visit to Vietnam. Our editor has the following comment.

This visit is in return for the visit to the European Parliament by a Vietnamese National Assembly delegation led by its chairman Nong Duc Manh last year. It is also to strengthen the bilateral relationship, as Dr. Gunter Rinsche affirmed during his last meeting with Chairman Nong Duc Manh, and the expansion of bilateral relations between the EU Parliament and Vietnam was given priority in the development strategy of the EU Parliament towards Asian countries.

Relations between Vietnam and the EU, and that between the Vietnamese National Assembly and the EU Parliament have made good steps in development, particularly since the establishment of official diplomatic relations between the two sides in 1990. Political, cooperative, investment, and trade ties have all developed. Over the past three years, the EU has cooperated with Vietnam in health, education, industrial, and energy projects, through NGOs [Non-Governmental Organizations] worth $8.5 million.

In August last year, Vietnam and the EU signed a framework agreement on cooperation, facilitating development of relations between the two countries. This was also important precedent for widening ties between Vietnamese and the European parliaments.

At the talks between Chairman Nong Duc Manh and Dr. Gunter Rinsche on Monday, the Vietnamese chairman expressed the wish, together with European Parliament members, to build mutual understanding between peoples in the two regions, to set up a new comprehensive Asia-Europe partnership.

During the five-day visit to Vietnam, the European parliamentary delegation will have talks with Vice President Nguyen Thi Binh, Vice Prime Minister Phan Van Khai, and visit Ho Chi Minh City.

SRV Assembly Chairman Receives European Parliament Delegation

BK1903155896 Hanoi VNA in English
1518 GMT 19 Mar 96

[FBIS Transcribed Text] Hanoi VNA March 19—Talks were held here yesterday between a delegation of the Vietnamese National Assembly [NA] and a delegation of the European Parliament who are here for a working visit.

The European Parliament delegation led by Dr. Gunter Rinsche, head of the Committee of Inter-Parliamentary Delegations, and head of the EU delegation for relations with the member states of ASEAN, South-East Asia and the Republic of Korea was welcomed by NA Chairman Nong Duc Manh, head of the NA External Relations Commission Mr. Hoang Bich Son, other senior officials of the N.A., and many representatives of relevant Vietnamese agencies.

The NA chairman briefed the European MPs on the achievements recorded by the Vietnamese people in their current economic renovation process, adding that part of the Vietnamese people's successes in many fields could be attributed to wholehearted assistance from foreign governments and organisations including the EU.

He said that the co-operation between the National Assembly and the European Parliament was significant. He expressed pleasure at the development of relations between the two legislative bodies in the past and hoped they would be strengthened further.

The areas in which assistance included the industrial sector, rural development, education and economic management, he stressed.

For his part, Mr. Gunter Rinsche said that his delegation was interested in promoting effective co-operation between the EU and Vietnam. The EU would like to extend further assistance in areas that Vietnam requested it, he added.

SRV National Assembly 19 Mar Proceedings Reported

BK1903143196 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 19 Mar 96

[Unattributed report on the proceedings of the SRV National Assembly in Hanoi on 19 March]

[FBIS Translated Text] Today is the 15th working day of the Ninth National Assembly's ninth session. The deputies convened in the conference hall. At the start of the morning session, the National Assembly heard Foreign Minister Nguyen Manh Cam's report on our state's diplomatic activities in 1995. Next, the deputies devoted the remaining part of the morning session and the whole of the afternoon session to discussing and contributing suggestions to Chapters 2, 3, 4, 5, 6, 7, and 8 of the draft law on the state budget, which was readjusted and amended.

On behalf of the State Budget Law Compilation Committee, Finance Minister Ho Te clarified a number of issues and solicited the National Assembly deputies' suggestions to the aforementioned chapters of the draft law on the state budget. Afterward, the deputies contributed suggestions to a number of articles and chapters of the law on the state budget and voted for the passage of Chapters 2, 3, 4, 5, 6, 7, and 8 of that law.

The National Assembly will continue to meet in the conference hall and will hold its closing session there tomorrow.

SRV National Assembly Passes Law on State Budget

BK2003093696 Hanoi VNA in English
0839 GMT 20 Mar 96

[FBIS Transcribed Text] Hanoi VNA March 20 — At the concluding session of the National Assembly [NA] here today, the deputies have passed the law on state budget with 308 out of the 314 members present voting in its favour. The session was attended by a visiting delegation of the European Parliament headed by Dr. Gunter Rinsche, head of the EU Committee of Inter-parliamentary Delegations.

NA Chairman Nong Duc Manh said in a speech concluding the session, 'During this session, the NA looked at the government's supplementary report on the implementation of government work and the state budget in 1995 and the first months of 1996 as well as major measures aiming at successfully carrying out the tasks and the state budget in 1996.'

The NA also passed three important bills, namely the law on state budget, the co-operative law and the law on minerals. The NA heard the summing up of voters' opinions nationwide sent to the NA and reports on external relations, and adopted a resolution on promoting the execution of the socio-economic development tasks and the state budget in 1996.

The National Assembly affirmed the important achievements and analysed the shortcomings in implementation of the 1995 tasks, and pointed out the responsibilities of the National Assembly, government, branches of activities at all levels, economic and social organisations, and citizens with the aim to draw lessons helpful to the successful implementation of the 1996 tasks mapped out by the National Assembly.

The National Assembly held that in 1996 and the following years, effective measures must be used to mobilise and effectively use all resources, with domestic sources given priority. Special attention should be paid to measures to maintain and develop income sources, to closely manage and supervise expenditure to reduce the deficit in order to achieve a balance between revenue and expenditure to clearly define the responsibilities of all branches at all levels in the collection and spending of the state budget while ensuring the united management of the central level and promoting the active and dynamic role of the local authorities and businesses.

At the same time it is necessary to expand external relations and strengthen national defence and security, thus creating a new step of development in culture and social affairs, firstly by concentrating efforts to gradually resolve the acute problems in education and training, in public healthcare, in the implementation of preferential treatment towards those who had rendered meritorious services to the revolution, in environmental protection, and preserving and promoting the national cultural identities and preventing and fighting social vices.

The NA also discussed measures to boost the reform of the country's administrative system, including the important tasks that must be carried out in 1996, namely: the re-arrangement of the financial mechanism the practise of thrift the unwavering fight against corruption, smuggling and waste the effective and timely solving of the people's demands in their daily lives, as well as the people's petitions and requests and the strict observation of the law.

The three newly-passed laws will be immediately put into effect so as to serve new development in the country. In addition, the NA presented ideas on a number of draft laws on local government, land, and taxes and fees for the NA Standing Committee to approve in the future.

SRV National Assembly Holds Closing Session

BK2003122496 Hanoi Voice of Vietnam Network in Vietnamese 0500 GMT 20 Mar 96

[FBIS Translated Text] At the Ba Dinh Conference Hall in Hanoi this morning, the Ninth National Assembly held the closing meeting of their ninth session. Attending the closing session were President Le Duc Anh, Prime Minister Vo Van Kiet, Party Adviser Vo Chi Cong, and some former deputies of the First National Assembly. Special guests were the members of the EU Parliament delegation, who are on a visit to Vietnam.

Before the closing formalities, the National Assembly voted to pass the Law on the State Budget, which consists of eight chapters and 82 articles. Comrade Vu Mao, on behalf of the secretariat, read the resolution on accelerating the implementation of tasks and on the 1996 state budget. After a number of deputies contributed their opinions to the draft resolution, the National Assembly deputies voted to pass the resolution on accelerating the implementation of tasks and the 1996 state budget.

National Assembly Chairman Nong Duc Manh then delivered his closing speech for the ninth session of the Ninth National Assembly. National Assembly Chairman Nong Duc Manh pointed out that at this session the National Assembly had considered the government's supplementary report on the situation regarding the implementation of tasks and the state budget for 1995 and the early months of 1996, and major measures to guide the implementation of tasks and the state budget for 1996. The National Assembly also passed three important laws: the Law on the State Budget, the Law on Cooperatives, and the Law on Mineral Resources. The National Assembly also heard reports on the activities of: The National Assembly Standing Committee, the National Assembly's Nationalities Council and other committees, the Supreme People's Court, the Supreme People's Organ of Control, the recapitulative report on suggestions of voters countrywide to the National Assembly, and the report on external relations.

The National Assembly has issued the resolution on accelerating the implementation of tasks and the 1996 state budget. National Assembly Chairman Nong Duc Manh urged all the people and combatants to uphold the spirit of self-reliance and self-determination, overcome all difficulties and obstacles, strive for enhancement of production output, fight waste and practice thrift, and put in savings for development investment for individual businesses as well for the country.

In the 1800 [Hanoi Time] newscast, Voice of Vietnam Radio reporters will highlight more details of today's closing session. 96

SRV Daily on Administrative Reforms' Shortcomings, Resolutions

962E0027A Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 13, 14 Jan 96

[Article by T.B.L.]

[13 Jan pp 1, 5]

[FBIS Translated Text] In 1995, the government made a great effort to carry on macrocosmic administrative reforms and achieved initial practical results. But the fact is, there are still many shortcomings and new complications have arisen because of the lack of synchronization in making improvements. These are the problems that the government discussed at the conference of provincial people's committees chairmen held on 8 January 1996.

Problems That Have Not Been Solved

Last year the government chose reforming the administrative procedures in accord with (government) Resolution 38/CP dated 4 May 1994 as the breakthrough element in national administrative reform. In just a short period of time, new administrative procedures were promulgated for six spheres: foreign investment, imports and exports, entry and exit visas, the issuing of land use permits and building permits, the allocation of budget funds and capital construction investment funds, and the handling of complaints filed by citizens. A number of localities and state organizations revised or abolished the complicated procedures that they had formulated. Those movements initially produced results and were welcomed by the people and by organizations and enterprises here and abroad. However, the implementation of Resolution 38/CP is still going very slowly. New procedures have been implemented, but they have not been fully implemented in all the sectors and localities, they have not been publicly announced on a broad scale, and the people have not been given adequate guidance in order to implement and monitor the implementation of these procedures. Or new procedures have been implemented, but they are similar to the old ones, with the result that they have had very little effect. Authoritarianism, harassment, and negative phenomena are still very prevalent. In general, bureaucratism is still widespread in the state administrative apparatus. What should be noted is that even in striving to reform things, there are problems that have not yet been solved. For example:

In the Sphere of Urban Housing and Land Management

Decree 88/CP dated 17 August 1994 stipulates that households requesting land need only four types of documents: a land deed request, an approved investment plan, a land administration map, and a compensation plan. That seems very simple. But in implementing this, people become "entangled" in the following two problems:

First, the Land Law and Tax Law on transferring land use rights stipulate that there are three forms of transferring land use rights to domestic organizations (transferring land without collecting land use fees, transferring land and collecting land use fees, and leasing out land), but the Housing Law dated 14 October 1994 and Decree 18/CP dated 13 February 1995 stipulate only two forms (transferring land without fees and leasing land). Furthermore, the Housing Law dated 14 October 1994 and Decree 18/CP do not stipulate the rights and obligations of the organizations that have been granted land use rights by other organizations, households, and individuals, the rights and obligations of the organizations that are using special-use land contributed by members or that has been in the hands of families for a long time, or the limitations in implementing the lease rights of the organizations engaged in building the infrastructure. Thus, enterprises do not feel at ease in investing in building projects. Transferring and leasing land has been delayed because of the lack of a framework for land rental prices. In 1994, the housing units in Ho Chi Minh City contributed 17.5 billion dong to the budget for land use. But in 1995, they contributed only 1.7 billion dong. In 1995, in Ho Chi Minh City, only three plots of land totaling 243,492 square meters were leased, and only 324 million dong was contributed. In Hanoi in 1995, only 47 enterprises leased land totaling 18.6 hectares, contributing five percent of the value of the land per year.

Second, in reality, it is impossible to stipulate a price framework for various types of land in Decree 88/CP dated 17 August 1994 or the stipulations on property compensation in order to have a basis for formulating an expropriation compensation plan in Decree 90/CP dated 17 August 1994. Because when implemented, the people will say that the stipulated price of the land is too low as compared with the market price of the land. The people are compensated based on agricultural land prices, but after obtaining land for construction purposes, the price of that land increases greatly. Thus, the people won't accept this. As for compensation prices, each locality uses one price (in Ho Chi Minh City the price is 70,000 dong per square meter and in Hanoi the price is 19,000 dong per square meter). A number of cooperative members have asked to leave the agricultural cooperative so that they can withdraw their land from the cooperative and receive much high compensation.

On Issuing Land Use Certificates

Decree 88/CP dated 17 August 1994 requires three types of documents: a request for a land use certificate, legal documents providing land use rights, and a diagram of the land plot for which a certificate is being requested. The Land Administration General Department has stipulated that citizens need only 1 of 14 types of legal documents to verify land use rights. But in reality, people encounter many difficulties because land use has passed through many periods of change. Even people who have legal documents and who have been issued land use certificates have had their land illegally transferred to others because the laws do not contain stipulations on the rights of those using the land.

On Issuing Housing Building Permits

What those requesting a permit must have is a land use certificate (stipulating the transfer or lease of land). But as mentioned above, this is very complicated and because of this, it usually takes a long time to obtain a building permit. According to the stipulations, the time periods for issuing building permits are: within 30 days for people, within 45 days for large-scale projects, and within ten days for projects in danger of collapsing. But in reality, these stipulations cannot be implemented. It should be added that urban housing and land management have been turned over to too many organizations (the Building Service, the Land and Housing Service, the Land Administration Service, the Construction Office, and administrative organizations from the subward to the provincial echelon). Because of this, people are subject to much "management" and must go through "many doors" when they have business to take care of.

Another very troublesome and negative administrative procedure that has not yet been reformed has to do with establishing and registering an enterprise. A file requesting permission to establish an enterprise must have 53 signatures and stamps. To change the name of a state enterprise requires "paying" 30-100 million dong. The Private Enterprise Law stipulates that a limited corporation must register an enterprise within six months and that a share corporation must do so within one year. When registering the enterprise, additional commercial goods can be added. But in registering enterprises, many negative things occur. (In Hanoi, there are 1,350 corporations. Recently, it cost about 10 million dong to register an enterprise.) Looking at the various elements in establishing and registering an enterprise, the time periods stipulated above are irrational and they have given rise to negative phenomena. Ministry of Justice Circular 472 requires people who want to establish an enterprise to obtain many documents and go through many doors: public security, public health, banking and finance, the environment, housing, special management organizations, notaries, planning commissions, and people's committees. In this, the value of the assets must be notarized, and a fee equal to 0.2 percent of the value of the assets must be paid. This is unreasonable, and it has given rise to many negative phenomena. Some localities have also stipulated that people must obtain approval from their ward and district before submitting the matter to the city. Registering enterprises for undercapitalized commercial households and cooperative groups requires obtaining many documents and going through many doors just like establishing an enterprise. The procedures are very bothersome and give rise to many negative phenomena. There are also cases of people making use of the stipulations in Decree 35/HDBT dated 28 January 1992 (on scientific and technical management permitting the establishment of commercial production bases directly subordinate to scientific research organizations) in order to engage in commercial activities without paying taxes.

In a number of other spheres, the government and local authorities have made specific efforts, but because of the shortcomings in the reform process, there have been unintended results. For example, in the sphere of promulgating legal documents, each year the government and the premier promulgate hundreds of legal documents and approximately 10,000 other types of documents. (In 1995, the government promulgated 92 documents, the premier promulgated 833 documents, and 10,328 other documents were promulgated.) The ministries, sectors, and provincial and municipal people's committees directly subordinate to the central echelon also promulgate many legal documents in order to manage every aspect of social life, particularly in the economic sphere. However, many acts of negligence and violations of the law have been committed in promulgating legal documents. Last year, the Supreme People's Organ of Control filed protests against seven documents issued by ministries, 323 documents of provincial and municipal authorities, and 610 documents of wards and districts that were contrary to the law. The promulgation of erroneous legal documents leads to a lack of discipline, weakens the effectiveness of the state apparatus, and distorts social activities. Let me give an example. Decree 45/HDBT dated 27 December 1991 stipulates that the tasks of state notaries infringe on the tasks of authorities. The three decrees on the establishment of the Capital and Asset Management General Department at the state enterprises, the Investment and Development General Department, and the State Treasury have resulted in the Ministry of Finance having too many departments. The Tax General Department alone has 18 offices and up to five financial centers in the provinces and cities (a finance service, a capital management department, a development investment department, a tax department, and a treasury). In reorganizing (which has just begun) the state administrative apparatus, a number of very difficult problems have arisen: the organizational model of the ministry and general departments has not been clearly defined; the organization of the general corporations and their basic relationships (between the management council and the director general and between the general corporations and the specialized ministries) and the relationships between the sectors and the localities in state management with respect to the enterprises is still not clear; the various administrative echelons have failed to carry out their functions and tasks correctly; and so on. And what should be noted is that to date, we have not promulgated a civil service law or civil service regulations.

[14 Jan p 7]

1996: Great Determination, Specific Tasks

One of the government's most important programs in 1996 is administrative reform. The government is showing great determination and has a fairly concrete plan based on the motto "synchronized action from the central echelon to the localities, not seeking perfection, correcting things as things are done, and achieving practical results."

The government has put forth a number of very basic reform tasks, including tasks that must be carried out immediately. This includes strengthening legislative activities; improving the quality of the documents of the government, ministries, sectors, and local authorities; reforming the formulation of laws and the promulgation of documents under the law; reorganizing the process of formulating and promulgating legal documents; strengthening the judicial organizations and cadres for the state organizations; examining and systematizing the legal documents; reforming administrative procedures; continuing to reorganize the state apparatus; and training the ranks of civil servants.

As for reforming administrative procedures, the government has put forth specific tasks that must be carried out in six important spheres tied to living conditions and social life:

1. Basic reforms must be made concerning three aspects of finance and banking: reforming the financial mechanisms and policies such as taxes and other sources of revenues, allocating budget funds and other expenditures, controlling the budget and assets, closely controlling revenues and expenditures; reforming the apparatus of the Ministry of Finance and reexamining the staff of the financial sector; and with respect to the operations of the banks, closely managing loans and implementing state auditing procedures with respect to a number of commercial banks.

2. The administrative procedures used in managing housing and land in the cities must be reformed. As for issuing land use certificates and building permits, the government has proposed revising the 14 October 1994 Housing Law, the law on the rights and obligations of domestic organizations to which the state has transferred land and leased land, and Decree 18/CP in accord with the contents agreed on by the Party Affairs Committee, the government, and the National Assembly Party Group (the Land Administration General Department and the Government Office have formulated drafts to be submitted and approved in February 1996). And the government has proposed promulgating a law on the rights and obligations of individuals regarding residential land (the Land Administration General Department will submit this to the government in March 1996), proposed revising and supplementing the stipulations on issuing land use certificates (the Land Administration General Department will submit this to the government in February 1996), proposed stipulations to unify the centers that issue building permits and house ownership certificates (the Ministry of Building will submit this to the government in January 1996), and proposed stipulations to concretize the compensation policies for expropriating land.

3. As for administrative and judicial reform, Decree 45/HDBT on state notaries will be revised based on the guideline of clearly defining the functions and narrowing the tasks of the notaries by having them concentrate their efforts in the sphere of civil trade and not impinging on the tasks of administrators and abolishing the stipulations requiring notarization of the value of assets and the copying of documents (the Ministry of Justice will complete the documents and submit them to the government in January 1996).

4. Reforming the procedures for establishing enterprises and registering businesses: a proposal has been made to revise the Private Enterprise Law and the Corporate Law, combine the two elements of establishing enterprises and registering businesses into one, revise Ministry of Justice Circular 472/TT in order to reduce bureaucratic procedures, revise Decree 66/CP on registering undercapitalized businesses of commercial households in order to make things more convenient and simple, revise Decree 35/CP in order to reorganize the scientific research installations that are engaged in commercial production activities, and redefine the tasks, organization, and activities of the general corporations, the management mechanism of the general corporations, and the relationship between the management council

and the director general and between the general corporations and the special-sector ministries.

5. The complaints filed by citizens must be dealt with promptly and correctly. This must be done by revising the Investigation Law and the law on handling the complains and accusations of citizens, clearly stipulating the responsibilities of those with the authority to deal with complaints, promptly compensating and restoring the legal rights and interests of victims, resolutely and promptly prosecuting those cadres and civil servants who have violated the law, reorganizing the organizations and regulations on receiving people, and explaining the laws and providing legal advice to those who file complaints.

6. All fees that are incorrect must be reexamined and abolished, and the draft law on expenditures and fees must be completed so that this law can be promulgated during the first quarter of 1996. For almost all of the points and contents mentioned, concrete implementation measures have been formulated, time limits for carrying out and completing things have been set, and the responsibilities of each organization and agency in carrying out things have been determined. This is one part of the government's agenda for the beginning of 1996. It is a very important part for which there was high unanimity among the delegates, the leaders of the sectors and echelons in the state apparatus. But this also imposes great demands on all of society in organizing and implementing things.

SRV Military Enterprises Implement Industrialization, Modernization

962E0020A Hanoi QUAN DOI NHAN DAN in Vietnamese 22 Jan 96 p 3

[Article by Van Chung]

[FBIS Translated Text] For military enterprises, 1995 was a success on many fronts. In particular, this was the first year in implementing the resolution of the Sixth Plenum of the Central Military Party Committee on production tasks and economic activities. The organizations were reorganized and the existing enterprise centers were rearranged in accord with the guidelines for massing strength, concentrating capabilities, and contributing to improving results in managing and regulating production and commercial activities.

In national defense production, along with the task of conducting studies and test manufacturing things and implementing the state and ministry topics, the national defense enterprises (NDE) successfully fulfilled the norms concerning product quantities, quality, and types as stipulated and supported the national defense and security needs. In additional to national defense production, the national defense enterprises made full use of the existing capabilities and invested in the construction of a number of industrial production chains to produce new products to serve the economy and consumption. In accord with the development trend of society, the production capabilities of the national defense enterprises are gradually being modernized, with investment capital for reproduction coming in part from the economic results achieved. As for the economic and consumer products, the "slow growth" period of the national defense enterprises is gradually fading into the past and giving way to many new types of high-quality goods employing high technology that are in accord with the tastes of consumers and that meet the development needs of a number of key economic sectors such as the electricity, coal, cement, paper, oil and gas, and public health sectors. The important thing is that at a time when the importance of national defense goods is declining and there is not enough work to provide regular jobs for the workers, increasing the types of economic goods has helped the national defense enterprises maintain national defense production capabilities and train young workers for a number of special occupations such as making blanks, precision machinery, and explosives.

Last year, the value of gross production of the enterprises subordinate to the National Defense-Technology Industry General Department exceeded the plan by 34 percent, an increase of 37 percent as compared with 1994. Many enterprises such as factories 13, 17, 21, 25, 27, 29, and 76, the Sao Mai KHSX Federation, and the Dong Bac, Ngan Ha, Thanh Binh, and Tay corporations exceeded the value of production for the year by more than ten percent.

The economic-national defense enterprises and the special economic forces maintained a good rate of growth in carrying on production and business activities. Besides the military's four large general corporations that are engaged in economic activities in a number of key spheres and that hold a strategic position, many of the enterprises subordinate to the ministry and to the military regions, branches, and services have been strengthened in terms of manpower and the material and technical base. The business management cadres are maturing after years of being tested in the business world. On the other hand, hundreds of cadres have been trained, and their economic management, legal, and political standards have been raised. Thus, a wholesome "internal environment" has been created in the enterprises, and the men, materials and equipment, and property of the state and army have been managed rather well during the production and business process.

It should be noted that in a number of spheres and sectors, the military enterprises have continued to invest heavily in order to keep their existing markets and have the ability to compete both here and abroad. This is being done based on industrializing and modernizing production and business techniques. What is new as compared with previous years is that the enterprises can now borrow large sums of money based on the right orientation, the right moment, and the results and preserve and expand the sources of capital. Examples are the spheres of oil and gas support service flights, port services, aerial photography for mapping surveys, construction and installation, coal mining, and so on. In 1995, besides oil and gas support flights, MIA and the Service Flight General Corporation opened two additional flights in the south and north to satisfy the needs of society. In addition to the existing aircraft units, last year the general corporation invested tens of millions of dollars to purchase aircraft, including two very modern transoceanic aircraft, and safely completed more than 4,500 hours of commercial flights.

Investments were also made in the marine economy spheres (fishing, pisciculture, marine products processing, ship building and repair, port services, and so on) in order to gradually modernize and increase transport, fishing, and port service capabilities. In this, marine products processing activities in Military Region 9 and port services at the (navy) Tan Cang Corporation achieved high economic results. In the spheres of construction and installation and the production of building materials, even though there were difficulties concerning capital, four enterprises invested in building four cement production chains having furnaces with a capacity of 60,000 and 88,000 tons a year. Of these, enterprises 78 and 18 will officially go into operation at the beginning of 1996. Construction General Corporation 11, the Truong Son Construction General Corporation, and a number of construction and installation corporations subordinate to the General Staff have increased their production capabilities by modernizing their technology and participated in joint ventures in bidding on international projects. And they have scored victories in order to participate in building key projects of the state, such as a number of bridges, ports, airports, Highway 1A, and so on. The Dong Bac Corporation, which was established through the reorganization of 13 coal enterprises in various military regions and services, has stabilized the mining, processing, and distribution of coal and is carrying out things in accord with the laws and the stipulations of the economic and technical sectors. With the value of production exceeding the annual plan by more than 58 percent, the Dong Bac Corporation has been rated as a highly effective enterprise. During the first year of reorganization, the corporation invested more than 20 billion dong to modernize its mining technology.

The Central General Corporation, which occupies a strategic position in the Central Highlands and which carries out industrial production tasks and grows and processes products from industrial plants, has expanded greatly. Last year, the general corporation planted more than 800 hectares in rubber and 500 hectares in coffee, an increase of 150-400 percent as compared with 1994. Coffee bean and dried latex yields exceeded the norms. In carrying on afforestation in accord with Plan 327, the military units have broadened 66 plans with good results.

In the sphere of joint ventures with other countries, as of the end of December 1995, the military had 49 plans that had been approved. Of these, 45 were joint venture plans and cooperative commercial contracts with other countries with investment capital totaling $445 million. What is worth noting is that the investment sphere has been reorganized (efforts are being concentrated on machine production, ship and aircraft repair, construction, and so on), and joint ventures have been set up in zones in northern and central Vietnam, which has contributed to bringing about an economic structure in accord with the area. The ability of the military enterprises in these joint ventures to contribute capital has increased from 25-30 percent to 40-50 percent. A number of the joint venture plans have achieved good results. This includes service flights, helicopter repair, the Tecasin office, the Saigon housing development, ship dismantling, and so on.

In 1995, the military enterprises earned more than 4 trillion dong, an increase of more than 25 percent, and profits increased by 20 percent as compared with 1994. Money was paid into the state budget in accord with the stipulations. Thus, what can be affirmed is that besides being profitable, obeying the laws of the state, and adhering strictly to the stipulations of the Ministry of National Defense, the military forces that are engaged in production and economic activities have created an important precondition for implementing the 1996 commercial production plan, the first year of the 1996-2000 five-year stage. This precondition is the modernization of production technology and services and an increase in the ability to compete, particularly in a number of the main spheres of the economy. 7600-000

SRV: Free Spending, Waste of Public Funds Denounced

*962E0014 Hanoi VAN HOA in Vietnamese
17 Dec 95 p 1*

[Editorial: "Wasting People's Properties"]

[FBIS Translated Text] In recent years, the growth of our national economy has been remarkable and the standard of living of the people has been raised to a new height; however, generally speaking, our country remains a poor one. Our per capita income, compared to that of the developed countries, is very small (equal to only one percent of theirs). Throughout the country, the number of poor households is around 50 percent. But paradoxically, in such a society as ours, the state budget is being spent in an excessive manner and, as a result, the people's money is being lost and greatly wasted.

According to press data published in 1994, in spite of the government's instructions regarding on being economical, the total amount of spending on conferences was by written account over 30 billion dong (including 1.703 billion spent by the Ministry of Justice, 1.74 billion dong by the UBQGDS Committee, and so on).

In a rural area, although the annual district budget was less than 10 billion dong, the cost of demolishing and rebuilding the headquarters of the district VCP committee amounted to tens of billions of dong. Its committee chairman and secretary got new cars, this time Japanese cars costing from 4 to 5 million dong.

The state of excessive spending and wasting money comes in many different forms. They all involve money, energy, and taxes contributed by the people.

Every National Assembly session did criticize and condemn the evil of wasting money through building new headquarters, buying luxurious cars, entertaining, feasting, and so on, but instead of being improved, the situation was getting worse due to other forms of wasting. Prime Minister Vo Van Kiet had to remind people of the need to be strictly against the unhealthy prenomena in physical education and sports: "The fact that the tennis movement in some localities has moved forward successfully is a welcomed occurrence. But even within this strength we must pay attention to the above-mentioned weaknesses, particularly when our economy still faces many difficulties, when our people remain poor, and when there still exist many localities that are very poor. We should not imitate one another by building new tennis courts, which are very costly, and underestimate other urgent socioeconomic tasks...."

This phenomenon has led to the odd situation in which cadres of one province would drive to another province to play tennis until dark. Who would pay the gasoline bills?

General Secretary Do Muoi put it this way: "While the country is still poor and the people still encounter difficulties and shortages, corruption and waste are a crime, which reduces the people's confidence and the party's fighting power...."

If society wants to develop and wants to succeed in achieving industrialization and modernization, it must stop excessive spending and waste. At this point in time, we need to adopt strict and just measures and posivive financial systems, which people in any position should fully implement.

SRV Quang Ninh's Antidrug Efforts Reportedly 'Noneffective'

*962E0018A Hanoi NHAN DAN in Vietnamese
20 Jan 96 pp 1, 3*

[Article by Vu Dieu]

[FBIS Translated Text] Addiction is Increasing

We were on a ferryboat crossing the Cua Luc River when a youth approached us and asked for a light for his cigarette. My friend took a cigarette lighter from his pocket and then watched closely as the youth lit his cigarette.

"Let me tell you something. Unless you give up this habit immediately, your life will be miserable," said my friend.

The youth looked at my friend from his head to his feet and quietly moved away. Going to the front of the ferryboat, he smoked the cigarette and then threw the butt into the water.

Turning around, my friend said:

"He is a drug addict. He threw away half the cigarette. He rolled a 'bi' (an amount of powder containing heroin that would fit in the bowl of a small opium pipe) at the tip of the cigarette and then smoked it."

I was startled by the fact that someone would smoke a narcotic like that. My friend said: "Smoking like that does not give the same effect as inhaling the drug. Those who are heavily addicted place the drug on a piece of silver foil (the foil inside packs of cigarettes), heat the foil, and then inhale the drug directly into the nose. Another method is to inject the narcotic. The residue from smoking opium, 'do-la-gang', and nux vomica [a stimulant] is used to make a tea, which is then filtered, poured into a syringe, and injected directly into a vein."

Using this method is very satisfying and stimulating, and it is cheap. After just a few days, those who inject drugs often develop a rash on their faces and backs and appear to be very ill. Today, most drug addicts smoke, inhale, or inject the drugs. Only a few prepare and smoke opium the old way. Instead, new and "faster" methods are becoming more and more popular.

It wasn't until later on, when I went to work with public security officials, that I learned that a "bi," which is the amount smoked by that youth on the ferryboat, costs 65,000 dong. To satisfy his craving, a person who is heavily addicted must smoke up to four "bi." Where do they get all the money? They start by stealing from their parents, family, and friends. Once that source of funds has been exhausted, they begin to steal from and rob others and even kill people. Drug addiction is hurting both families and society. Drug addiction shatters families. And in hamlets where there are addicts, thefts and fights are common. The drug situation in Quang Ninh has become very alarming. In Uong Bi City, there is a colonel who was once very well-known for pacifying areas. American bombs and bullets couldn't kill him. Returning home as a victor with a chest full of medals, his great desire was to get together with people in a warm house. Throughout his life, he had fought the enemy and made contributions. His desire now was to live in peace. But things didn't turn out as he wanted. His son became addicted to drugs and sold all of family's property to obtain drugs. When there was nothing left to sell, his son tried to hit him with a brick. He skillfully avoided being hit. That very unfilial child then began beating his head against the wall, killing himself on the spot. The colonel held back his tears and took his child for burial.

In Ha Long City, there is the story of a boy putting a knife to his mother's throat and demanding money to buy drugs. When addicts become frightened and need a "fix," they forget right and wrong. They are capable of killing people and cutting off their own hand. In fact, there are thousands of sad stories concerning drug addicts. And yet, drug addiction continues to increase. According to statistics of the Quang Ninh provincial Labor, War Invalids, and Social Affairs Service, in 1995 drug addiction increased 64.5 percent as compared with 1994. And drug-related crimes increased 27.2 percent.

Tran Van Chuong, the assistant head of the provincial Criminal Police Bureau, said:

"The number of addicts has clearly increased, as has the tendency to 'move into the streets.' In the past, people concealed their activities; now, they are using drugs openly. Previously, drugs were sold in secret; now, they are sold on the street."

This poses a serious threat. No wonder that at the meeting of the provincial people's council held at the end of 1995, many delegates spoke up and expressed great concern about the "spread of drugs in our schools." Using very clever tactics, brothel owners are luring people in by offering to give them drugs free of charge if they bring others there to use drugs.

Drug Detoxification Has Produced Few Results

Quang Ninh established a drug detoxification camp in 1993. Originally, this camp was a bakery. It was transformed at a cost of approximately 1.2 billion dong. The camp is situated at the base of a hill near a barge repair plant, and throughout the day the sounds of hammers can be heard. The camp is also located near a population center and so the addicts have many ways of obtaining drugs. Addicts have friends use "weapons" to "shoot" in projectiles and bombs and dozens of syringes containing opium. Thus, locking the gates and building high walls has not stopped the hoodlums. At the beginning of January, when we arrived there were only five addicts at the camp. Nguyen Van Binh, who works as a fisherman with Team 12, Block 4, Bach Dang Subdistrict, voluntarily came to the camp for rehabilitation. Binh is 30 years old. He has a very dark complexion, reddish hair, and very blue lips. He has four children, and all four are illiterate. We asked, is your oldest child a boy or a girl. He replied, a girl. His brother-in-law, who was sitting next to him, said: "a son. Since he began using drugs, he has become very forgetful and can't remember even his own children. Sometimes after he has just finished eating, he will say that he hasn't eaten yet."

Two other addicts who were tied up were sitting nearby. They looked very pale, and their skin was very rough. Their eyes quietly followed the visitors.

Nguyen Cong Han, the camp director, said that "at the end of December 1995 the chairman of the provincial people committee ordered 25 addicts confined to the camp. On the very first day, two escaped. After that, another 21 escaped. Now, only two remain. We cannot keep them here."

With great emotion, Han said:

"This is a thankless and very disheartening occupation. It's thankless because we try to save them, but they attack us. The camp now has 15 cadres and employees, and each one has been pushed, hit, or insulted at least once. Most of those sent to the camp have a criminal record. After he started taking drugs, Nguyen Duc Cong, age 13, cut off his finger. Pham The Thinh (from Ha Long City) secretly brought a chisel and piece of steel into the camp. They fight each other, attach our personnel, and tear up the camp. This is what these 'patients' are like."

It's disheartening because the camp can provide only short-term detoxification. It can't carry out the next two stages, physical rehabilitation and the organization of productive labor. There are two reasons for this: the addicts are not self-conscious at the camp. Those who are forced to come here often escape. The other reason is that camp personnel don't know how to organize labor. What can be done to keep the patients away from the environment that made them sick? Thus, Nguyen Cong Han said:

"The treatment being given now is aimed simply at detoxifying them, not at rehabilitating them. Surveys conducted among those who left the camp a year before show that almost all of them are using drugs again. During the past three years, we have expended much effort and spent a lot of money in an effort to treat drug addiction, but our efforts have been in vain. This makes me very sad."

What Are the Reasons?

Statistics of the Quang Ninh provincial Criminal Police Bureau show that in 1995, police arrested 187 suspects in 60 cases. Of these, 15 involved the sale of narcotics. Dozens were brought to trial and given the maximum sentence, life in prison.

Statistics of the drug detoxification camp (representing a rehabilitation center) show that the camp has treated 265 addicts since the camp was established.

Quang Ninh has made an effort to both prevent and treat drug addiction. But the number of addicts has continued to rise, and the treatment provided has not cured them. Narcotics still pose a challenge, and many families are very worried about drugs. Why? During our trip, we heard many stories. I would like to recount one of these stories. When we visited the camp, one high-level cadre, looking at the steel gates, said: Who built these gates like prison gates?"

The next day, another cadre at the camp said: "The gates must be strong like prison gates if we are to hold them. Public security officials have guns and handcuffs, and yet it's still difficult to control prisoners. So how can a few unarmed personnel control such people?"

Camp cadres were surprised by what the high-level cadre said. Furthermore, entering the camp and working with the sectors, it became clear that there was a lack of coordination and cooperation between the public security, public health, and labor sectors and between the labor sector and its camp. It seems as if each sector is concerned only about its own separate tasks. During reviews, they blame each other, say that the provincial people's committee has been slow in providing guidance, and say that there is a lack of determination in narcotics control and treatment. Perhaps this is why Quang Ninh has achieved few results in fighting narcotics. There must be synchronized control and close coordination between the sectors in order to put forth effective measures in this difficult and complex "war."

SRV 'Inflated' Statistics on Crops Criticized

962E0019A Hanoi NHAN DAN in Vietnamese 21 Jan 96 pp 1, 3

[Article by Nguyen Sinh Cuc, MA]

[FBIS Translated Text] Implementing the renovation line, in recent years, grain production in our country has constantly scored great achievements on a nationwide scale. Since the resolution of the 10th Plenum of the CPV Central Committee, grain yields have increased by an average of more than one million tons a year. The rate of increase in grain production is higher than the population growth rate, with the result that per capita grain yields have gradually risen from 307 kg in 1988 to 370 kg in 1995. Instead of suffering serious shortages of grain as in the past, our country is now the third largest exporter of rice in the world, exporting an average of 1.7 million tons a year. And in 1995, we exported 2.1 million tons. These are "real achievements" that the statistics sector, with its functions, has tried to reflect in a timely manner in order to support the leadership and management requirements of the various sectors and echelons.

However, in recent years, reports from various localities have been filled with inaccuracies, with the tendency being to exaggerate the achievements in grain production. A very recent example is that at the end of 1995, according to reports by the statistics departments in 53 provinces and cities, nationwide, gross grain production in 1995 exceeded 30.5 million tons, an increase of 4.3 million tons, or 16.4 percent, as compared with 1994. A number of central and local newspapers and stations have reported that the number of provinces with yields exceeding one million tons has increased and that some provinces have even produced up to 2.2 million tons. These reports also state that some districts have produced 500,000 tons of grain in just one year. And according to the reports of some localities, very high rates of increase are widespread in the newly created provinces.

It would be wonderful if those reports were true. But they aren't. Based on the grain equilibrium and the changes in the grain price market in 1995, the Statistics General Department has concluded that the figures on grain production appearing in the reports published by the localities are much higher than the actual figures.

In 1995, even though the weather was favorable and the two main rice regions, the Red River Delta and the Mekong Delta, had good harvests, yields did not increase at a rate of 16.4 percent a year. A few simple calculations make this clear: grain used for seed and animal husbandry increased slowly; the total amount consumed by people did not increase very much because the population is increasing slowly; per capita rice consumption has declined, particularly in the cities; reserves have remained stable; and rice exports were only 2.1 million tons. At the same time, the 1995 grain price index was at a high level, 20.6 percent, and rice prices at the beginning of 1996 were increasing nationwide. Thus, where did the grain go?

In order to answer that question, the Statistics General Department not only made calculations and estimates but also sent forces to the localities to make detailed inspections. It organized three teams to reexamine rice area, yields, and production in each season in 1995 in Can Tho, Vinh Long, Nam Ha, and Ninh Binh provinces. This was to be carried out in one month with the participation of 23 provinces in order to make a determination and clarify things. The inspection teams examined the inspection forms of all of the sample households in 63 villages in nine districts in the four provinces mentioned above. They went to each of the households in order to compare the data reported with the actual amounts harvested by the households and recalculated things based on the plans.

The results showed that the data on the rice area and yields of the localities that were reported by the villages and districts were inflated quite a bit as compared with the actual amounts harvested. This was because many mistakes had been made in selecting samples and making inspections at the bases. The following are the main mistakes made in the localities. Samples were selected subjectively. Excellent intensive cultivation units and households were intentionally included in the survey sample in order to increase sample yields as compared with the overall yields of the localities. Rice areas with low yields (excavated land, seed beds, early and late-planted rice areas, and force-transplanted areas) were left out of the samples. Thus, the rice yields in the samples were simply yields in stable rice areas and were thus higher than the yield for the entire area, which should have been used to calculate yields.

The loss percentage was understated, with some places putting the figure at approximately two percent. The data on the inspection forms received from the sample households were changed in order to report higher yields than those actually harvested by the sample households. Some of the inspectors did not directly examine the actual yields of the households but simply estimated yields for each variety of rice and rice planting and then multiplied this by the area in order to arrive at the figures on the forms. Usually, the estimated yields were higher than actual yields.

As a result of these mistakes, the rice yields reported by the localities were 10-13 percent higher than actual yields, and rice productivity was inflated by a similar percentage. Calculating the errors made in selecting the samples (5-10 percent) and the errors made in inspecting the areas, the percentage by which yields were inflated was even higher. (In the Mekong Delta, the village and district rice areas reported to the province were higher than the actual areas sown directly in rice by 17.2 percent, which inflated yields by up to 18.1 percent.)

The tendency to inflate grain yields is not limited just to the four provinces surveyed. This is widespread in all the provinces, and this is true for subsidiary food crops as well as rice. An example is corn yields in Dong Nai in 1995. According to the reports, yields for fresh corn were 20-30 percent higher than yields for dry corn depending on the season.

The above situation is due in part to the fact that the statistics sector has many shortcomings in organizing and guiding the surveys. But the main reason is that subjective factors control things directly or indirectly. This includes the primary level's concept of success. This situation has been in existence since 1994. The Statistics General Department discovered this and took steps to deal with this (reducing grain yields reported by the localities by one million tons), and it reported this to the National Assembly. But unfortunately, the same thing occurred again in 1995.

The inflated data on grain yields reported by the provinces could have consequences in macrocosmic management. Even though the errors concerning grain made by each village and district are small, on a nationwide scale, the error is very large. Unless prompt action is taken to deal with this, this could have a bad effect on our national grain safety, and there could be a repeat of the grain emergency. Or this could lead to making erroneous evaluations of the achievements and rate of growth of agriculture and to making mistakes in changing the economic structure in the process of implementing industrialization and modernization nationwide and at the provincial and municipal level.

Thus, based on the results of the recent inspections and making use of other professional methods, the Statistics General Department has issued a decision on handling the yield data of each province and city and reduced the figures reported by the localities by 9.6 percent (three million tons). Thus, grain yields nationwide in 1995 reached 27.5 million tons, an increase of 1.36 million tons (5.2 percent) as compared with 1994. This includes 24.9 million tons of paddy. Eleven provinces had grain yields converted to paddy equivalent in excess of one million tons. Those provinces were Thai Binh, Nam Ha, Hai Hung, Long An, Tien Giang, Kien Giang, Dong Thap, Can Tho, Soc Trang, An Giang, and Minh Hai. Of these, An Giang had the highest yield, producing almost two million tons. The per capita grain yield reached 370 kg per person, which is the highest level ever. The Statistics General Department has entrusted the provincial and municipal statistics departments with the task of ensuring that the grain yield data of the districts is in accord with the overall data of the provinces and cities. The figures on grain yields for each province have been reported to the provincial and municipal people's committees and statistics departments in order to unify use nationwide.

The actions taken above have not lessened the grain production achievements of the nation or localities. Rather, this has simply eliminated the "bogus achievements" in order to put the figures in line with the "real achievements" and serve the control and management needs of the sectors and echelons.

SRV: Professor on Distortion of Socialist Ideology

963E0008C Hanoi TAP CHI CONG SAN
in Vietnamese Oct 95 pp 17-20, 24

[Article by Le Xuan Luu, professor of philosophy]

[FBIS Translated Text] Enemy forces are implementing a "peaceful evolution" plot against our country, with the offensive to destroy our ideological system serving as the spearhead of their attack. They are relying on their financial and technological strength, constantly improving the means of information, and making use of our state's open-door policy to gradually change our political concepts. Every day, people broadcast countless distortions, paint capitalist society as a "paradise," slander socialism by saying that it is the root of every "injustice" and "misfortune," and affirm that socialism is a "mistake" of history. They say that Marxism-Leninism is a "factional and dangerous" ideology and argue that the scientific and technical revolution has eliminated the differences between classes and nations. They say that "system integration" has now replaced class struggle and national struggle. From this, they draw conclusions about the "end of ideology" and demand that things be "depoliticized" and made "non-ideological."

The target of these distortions and this slander is to encourage our people to waver ideologically and gradually move away from the path chosen and instead follow the capitalist path.

Determining the direction of socialism for building the country requires that we clearly understand the nature of the above arguments, adhere firmly to the political and class guidelines of our ideological system, and grasp the problems concerning spiritual life in society.

Is Marxist-Leninist ideology really a "factional and dangerous" ideology?

An ideology is a system of ideas, theories, and views that reflect social realities based on the viewpoint of a certain class. An ideology, with the theoretical concepts of a certain class, always manifests the basic political, economic, and social interests of that class. The class nature of an ideology is an objective necessity. In a class society, it is impossible to have a classless ideology.

Today, there are two opposing ideologies in the world: the ideology of the bourgeois class and the ideology of the working class. Regardless of how clever the bourgeois class is, it cannot conceal the class nature of its ideology. Every ideology is closely tied to the economic base and production relations and reflects and protects the interests of a certain class.

Bourgeois ideology guides defending the interests of the bourgeois class and defending capitalism. The ideology of the working class guides the socialist revolution, whose target is to free not only the working class but also all laboring people from slavery, oppression, and exploitation and to build a just, democratic, and humanitarian society. The ideology of the working class originates from the interests of the working class, but it is also aimed at the common interest of human liberation. Thus, it has never been a "factional and dangerous" ideology. It is the ideology of the bourgeois class that is a "factional and dangerous" ideology, because it defends the interests of the small minority of exploiters.

The anti-communist forces are trying to distort the ideology of the working class and striving to use the achievements of the scientific and technical revolution to oppose the Marxist-Leninist theory of class struggle. They say that that revolution has done away with class distinctions, eliminated class conflicts, opened up "class cooperation," and brought about "class peace" and "systems integration."

There is nothing new about these arguments. For a long time, bourgeois theoreticians have adhered closely to "biological," "psychological," and "technical" factors in order to make arguments in an attempt to replace the laws of development of human society. In the past, they were strongly criticized by the classicists.

It's true that the revolutionary changes in science and technology have had a great effect on the development of the production forces and on the material and spiritual life of society and changed people having the credentials as the main production forces of society. This has also generated new manifestations in the class struggle and national struggle. But, clearly, this cannot eliminate the opposing interests in society or change the historical mission of the working class or the necessity of the socialist revolution.

On one hand, in the world today, an economic entity with collective and coordinated relationships is now being formed. And there are common problems of a worldwide nature that can be solved only if all countries work together. But on the other hand, the world is still filled with conflicts. There are still opposing interests between the classes and nations, between the political and social systems, and between ideological concepts.

Thus, the world in which we live is characterized not only by cooperation but also by conflict. The world continues to be divided into rich and poor and exploiters and exploited. There is no "convergence," "transformation," or "integration" of the classes and systems. The class struggle is still the motive force behind the development of class societies. This is an objective law that is independent of people's desires.

The enemies of Marxism-Leninism are searching for a way to conceal the class nature of such political concepts as "freedom," "democracy," "and "human rights." Some people portray themselves as "knights defending freedom, democracy, and human rights" in order to interfere in the affairs of sovereign countries and support their plots. What is ironic is that "freedom," "democracy," and "human rights" are being implemented using gunboats. Everything that has happened in the world since the end of the Cold War proves this. In a society with opposing classes and abstract spiritual values, probably no one can find a type of classless "freedom," "democracy," and "human rights" for everyone that is outside the interests and needs of the various classes.

Besides the class problem, the enemy is also distorting the national issue. People have advanced various arguments, such as "the world is our common home," in order to demand that all countries, rich and poor alike, increase international interchange and cooperation in ways that benefit the wealthy nations. The imperialists, particularly multinational groups, have used the achievements of the scientific and technical revolution and the trend toward economic internationalization to expand and strengthen their dominant position in the world. Along with this, they are making an effort to spread propaganda about a "nationless" world and raising the abstract image of a "world citizen" who is outside class and nation and who has gone beyond culture and ideology. They are doing this in order to encourage countries, particularly those countries that have chosen a path different from theirs, to merge with the Western World, abandon their national color and cultural traditions, and abandon the struggle for national survival and development. This is very deceitful and contradictory. It is the imperialists who are encouraging people in the socialist countries to abandon proletarian internationalism, return to extreme nationalism, foment national, racial, and religious conflicts, and focus on domestic struggle and forget the struggle against imperialism.

Has the new age brought "an end to ideology" and has the time come for the classes and nations to "depoliticize" things and "abandon ideology?"

Above all, politics reflects the interests of a certain class. The political principles of an ideology are important tools used to guide the struggle for power and build the new social system. The bourgeois class has used bourgeois political principles to illuminate the path to seizing power and establishing a capitalist system. During the past several decades, they have worked constantly to solidify the bourgeois state and capitalist system and striven to suppress the revolutionary movement and swallow other countries in order to expand the scope of their rule. Have they now abandoned the use of violent politics and their efforts to swallow others? No! The imperialists will never abandon that or stray far from that kind of politics. All they will do is change their methods and stratagems to fit the changes of the time. At the same time, they will fully exploit opportunism and modern revisionism in the communist movement. However, it's ironic that on one hand they call for "depoliticization" but on the other hand they are trying to force the socialist countries to implement "political pluralism and a multi-party system." These two demands are totally contrary to each other, but they are both aimed at eliminating the leadership of the communist party and the annihilation of socialism.

The arguments concerning "abandoning ideology" are distortions, too. The truth is, the imperialists are constantly waging an offensive to destroy the ideology of the working class. They are using the achievements of modern science and technology to spread bourgeois ideology to the socialist countries and change the political concepts of the people in those countries. They are even using economic, diplomatic, and military pressure to impose bourgeois ideology.

Today, the "conceptual structure" factor is being used openly in the diplomatic polices of the imperialist countries. Aid and investment are being linked closely to "democracy," "human rights," and "privatization."

"Depoliticization" and "abandonment of ideology" are just stratagems aimed at suppressing the ideological struggle of the working class and laborers against bourgeois ideology. These are just masks to help the anti-communist forces destroy the ideology of the working class and eliminate the leadership of the communist party.

The "depoliticization" and "abandonment of ideology" arguments have affected and caused doubts among some of our cadres, party members, and people. Some of those who once talked a lot about class and class struggle now avoid these topics. There are even people who immediately label those who talk about class and class struggle as "dogmatists" and "conservatives." And there are people who want to question the fundamental principles of Marxism-Leninism in order to reexamine our entire cause from targets to means. They ask: "with pre-industrial standards, in the computer age, can our country advance directly to socialism without passing through the capitalist stage of development?" And, of course, their answer is, no. They want to look for a "different signpost."

In the movement to renovate thinking, it's normal that other viewpoints will arise, and at times this is necessary. But that does not mean that it isn't necessary to distinguish right from wrong. Reality shows that nothing is more harmful than vacillating and being vague and wrong about the main issues of the revolutionary struggle.

Today, even though many socialist countries have collapsed and the socialist movement has fallen into crisis, that does not mean that the historical mission and ideology of the working class has come to an end. This collapse certainly doesn't stem from Marxism-Leninism but from the errors made by the communists who held power in those countries. They moved away from the revolutionary and scientific nature of Marxism-Leninism in building socialism.

Even though the world socialist movement is in crisis, we cannot view that as a crisis of Marxism-Leninism. Our party, as always, continues to use Marxism-Leninism and Ho Chi Minh thought as its ideological foundation. This choice is unshakable, because its worldview and methodology are objective truths finally perceived by mankind. Being loyal to Marxism-Leninism means being loyal to its revolutionary and scientific nature. Our task today is to study things based on the realities of the age, clarify which elements in Marxism-Leninism are strong and which are limited by the age that spawned them, revise things as dictated by the new reality, and enable Marxism-Leninism to reflect the new contents and special characteristics of the age in which we are living instead of abandoning this.

The only two ideologies in the world today are the ideologies of the bourgeois and working classes. People's dreams of finding some other "signpost," no matter how sincere they are or how concerned they are about the fate of the country, will simply lead to abandoning the path of socialist revolution, which is the path chosen by our party and people.

Avoiding talking about class and class struggle is wrong, because these are objective products of history. They are not things that someone fabricated. History has proven their presence and control with respect to the development of class societies. The important thing here is that we must overcome a number of erroneous and narrow viewpoints concerning the issues of class and class struggle, gain a correct understanding of the nature of these issues, and clearly see the relationship between class, nation, and humanity and their new manifestations in today's historical conditions.

Recently, people have asked: Isn't the movement in present-day politics a movement from the politics of economics and class relations to the politics of intellectual labor and the creative freedom of man?

As discussed above, above all politics reflects the interests and needs of a certain class. There is no such thing as an abstract, classless politics. Our politics is the politics of the working class and depends on Marxist-Leninist ideology, which has guided us in our struggle to seize power and build and defend the fatherland.

Today, even though the scientific and technical revolution and the computerized civilization are having a great effect on the development of the production forces, on the abilities of man, and on the social sciences and humanities, providing them with new materials to develop, including Marxism-Leninism, they can never eliminate the different interests of the various classes in society or replace the economic and class foundation of today's politics with some other foundation.

Today, intellectuals have a great role to play in building the country. It can be affirmed that without intellectuals, there cannot be socialism. But it must also be thoroughly understood that not every intellectual can lead our people to socialism. We cannot talk about intellectuals in general.

We oppose superficially "politicizing" and "ideologizing" every phenomenon of social life and every activity of people. But if we avoid the economic and class bases when examining and evaluating social phenomena and the political acts of people, it will be difficult to discover their nature in order to find objective truth. Shunning the economic and class bases means shunning Marxist historical materialism.

We are carrying on renovation, but renovation does not mean abandoning the ideology of the working class, moving away from its economic and class bases, and moving to bourgeois ideology. Failing to understand this will be very dangerous, because each ideology guides the development of society along a different path. Thus, renovation must be carried on under the guidance of the ideology of the working class, Marxist dialectical methods must be used to examine and analyze objective reality and discover which ideas are no longer in accord with today's reality, things must be revised as appropriate, movements having the nature of a law must be discovered, and correct solutions must be put forth in order to make objective reality move in a direction that benefits the revolutionary process. At the same time, there must be an uncompromising struggle against all distortions and vague and distorted ideas must be overcome. Without this, it's useless to talk about a socialist orientation. This struggle is not aimed just at defending Marxist-Leninist ideology. It is also a school to develop theory and forge ideas.

SRV Interior Vice Minister on Fighting Crimes

962E0021A Hanoi QUAN DOI NHAN DAN in Vietnamese 26 Jan 96 p 2

[Speech by Lt. General Pham Tam Long, member of the CPV Politburo and vice minister of interior, given at the Conference To Review Five Years of Fighting Crime held in Hanoi on 19 and 20 January 1996]

[FBIS Translated Text] On 18 November 1990, the Ministry of Interior issued Guideline 27/C11 on tracking down criminals nationwide. That was a timely and practical policy that helped implement Directive 135-HDBT on attacking and eliminating all types of criminals and that satisfied the requirements of maintaining public order and security in the new situation. In May 1995, the Ministry of Interior promulgated Plan 327/C14 on arresting and eliminating criminal targets nationwide. Following that, the ministry leaders issued official messages 179/C11 and 256/HT to guide the launching of two operations to concentrate forces on arresting criminal targets. Implementing the above policies and orders, the various-echelon public security forces have coordinated things closely with military forces and achieved many notable results. In a number of localities such as Nam Ha, Tuyen Quang, Dong Nai, and Hanoi, the number of targets arrested during the final six months of 1995 was equal to the number for all of 1994 and even to the number for both 1993 and 1994.

But in general, the number of criminals arrested during the past five years is not very high when compared with the number of criminals for whom arrest warrants have been issued. In the past period, the number of wanted criminals has increased. This is because in today's economic and social climate and with our present international relations, criminals have many opportunities to escape from the law. They are using the development of science and technology to pass information in a timely manner. They can move quickly and even have operations to change their appearance. They make use of the loopholes in population and labor control, economic management, and even the professional management of the public security forces to cover their tracks and conceal their criminal activities. Many criminals are using the open-door policy to cross the border illegally or flee abroad using lawful means such as traveling abroad, visiting relatives, and so on. On the other hand, in many places and in many instances, little attention has been given to guiding this work. People have not been mobilized promptly, and not enough money has been invested in tracking down criminals. Many sectors and localities regard this as the work of the public security sector. And even in the public security sector, a number of places regard this as the work of the criminal police and detectives. Some of the professional units have at times ignored formulating pursuit plans and guiding the struggle, particularly in supervising and guiding the implementation of the decisions and arrest warrants. Because of a lack of responsibility or a lack of funds or because of professional limitations, a number of individuals and units have issued arrest warrants without having basic information and in a "rushed" manner in order to close the files sent to the organ of control. They have not bothered to make classifications in order to eliminate the targets.

According to the reports of the localities, nationwide, there are presently thousands of criminals for whom warrants have been issued. Of these, about 2,000 are particularly dangerous. After escaping from the clutches of the law, most criminals continue committing crimes in other places. This is one of the factors responsible for the present loss of stability, security, and public order. Thus, tracking down the criminals is an urgent task of the functional sectors and of all of society. This will contribute to hitting the target of "stability in order to develop" the country. In order to carry out this task well, the localities must gain experience and stay in touch with their real situation in order to formulate details and appropriate plans to track down criminals and implement these resolutely. Tracking down criminals is a difficult and dangerous task. Thus, all individuals and units must elevate their sense of responsibility, resolve, and bravery. At the same time, there must be excellent combat plans in order to avoid unfortunate losses.

The sectors, echelons, mass organizations, and people must be propagandized and educated, and they must clearly understand the nature and special characteristics of this work so that they will be sympathetic and provide material and spiritual support to the forces hunting the criminals. Along with urgently correcting a number of weaknesses and shortcomings in the work of the full-time forces of the functional organizations, the state must conduct studies and improve administrative and economic management and a number of inter-sector regulations and create the conditions to enable file management, target control, and the pursuit of criminals to achieve better results.

In tracking down criminals, the role of the primary level is very important. Experiences have shown that even if criminals manage to escape, they will try to contact their families. If the party committee echelons, authorities, public security and military sectors, and mass organizations at the primary level actively "participate in this work" and if the masses are aroused, participate bravely in the struggle, and consciously give information, the targets will certainly be discovered and arrested. Even in the movement to encourage targets to confess, if the localities give attention to providing guidance, the masses participate actively, the sectors concerned implement uniform policies and measures in the work and apply the policies regarding those making confessions in a reasonable way, many targets will surrender. And this could even become a vigorous movement as in Ha Tay, Hai Hung, Thanh Hoa and Can Tho.

SRV Daily Discusses Child Labor Problems

962E0025A Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 4 Jan 96 p 2

[Article by Vinh Kim]

[FBIS Translated Text] For people living in the city today, a familiar sight is that of children of school age and even children of kindergarten age roaming the streets carrying stacks of lottery tickets and newspapers, boxes of chewing gum, and shoe-shining boxes. Another very familiar sight is that of young porters carrying bundles of sugarcane and heavy baskets of goods walking along stooped over in the boiling sun. But no matter how familiar these sights, people seem to forget that the International Agreement on Child Rights, the Child Protection and Education Law, the Universal Primary Education Law, and the National Action Program for Youths are being violated or not being implemented well. And the responsibility for this does not rest just with the functional organizations, mass organizations, or families of the children but with all of society.

Lost Childhood

According to still incomplete data, there are approximately 50,000 children in the city who roam the streets and do a variety of jobs to eke out a living for themselves or help support their families. Why have these children had to become young laborers and do work that is too hard for them instead of being able to enjoy a natural childhood like other children? Everyone knows the answer, but solving this problem is another matter. With respect to just the 200 young children who roam the streets around the Cau Muoi market, there are many different reasons. For those children who were born on the streets, roaming the streets probably doesn't seem that strange. Many of these children have families and a nice home just like other children, but they have to live on the streets just because of the lack of responsibility or selfishness of adults. Nguyen Van Hieu, age 13, who sells vegetables at the Cau Muoi market, said that several months ago, he was living with his mother and two siblings. His mother sold fruits from a cart and he sold lottery tickets during the day and attended a charity school at night. One time his mother found out that he had been playing an electronic game and that he had lost all the money earned from selling lottery tickets, almost 400,000 dong. Because they didn't have the money to pay for the tickets, his mother beat him and chased him away. Partly out of fear of his mother and partly out of pride, he went to live on the street. Each night from 2300 hours until dawn, those who roam the area near the Cau Muoi market vegetable storage bins wait for vehicles to come unload crates of vegetables. They pick up vegetables that have fallen off or pick up things discarded from the bins. They then wash these vegetables and sell them at the market the next morning. Each day, he earns about 10,000 dong doing this. Learning of his situation, those in charge of the charity school and the social welfare food stall of the Women's Union and the Cau Ong Lanh Subdistrict Communist Youth Union sent him to live with other children at a collective apartment near the food stall. Each day, he eats two means at the stall, which costs him about 2,000 dong. He turns the rest of his money over to those in charge. Every few days, he takes 20-30,000 dong to his mother in order to gradually repay her. Those in charge have tried to persuade him to go back to his mother, but he has refused. He wants to be independent and is determined to get an education so that he can someday find a job and not have to sell vegetables like this any longer. He is now in Grade 1 at the charity school. He said: "Miss Dam has complemented me on my writing.

I always score 8 or 9 in writing and a 10 in arithmetic. Only rarely do I get a 9 in arithmetic."

The area around the Saigon railroad station is another area where hundreds of children ages six to 15 try to eke out a living. They perform a variety of jobs in order to earn enough to buy some food for themselves and their families. A number of the children are hired to wash the train cars. Most unload goods, sell iced tea, cigarettes, and newspapers, and so on. Phan Van Hoang, age 15, lives with his grandmother and older sister in a small house near the Saigon railroad station. Every day, Hoang loads goods aboard the trains or unloads goods from the trains. He earns about 10,000 dong a day doing this, all of which he gives to his grandmother. Nguyen Van Khang, age 15, came to Saigon from Song Be and lives with his mother near the railroad station toilets. Each day, his mother is paid about 15,000 dong to clean the toilets. He picks up discarded nylon and other items around the station and sells them for a few thousand dong to help his mother. They must support themselves and also send money home to support the other children who are living in Song Be with their grandmother.

Along the narrow streets in the labor centers of wards 10 and 11, we saw many children ages 14-15 pushing old noodle carts and selling noodles. Nguyen Van Hanh, age 15, who comes from Quang Ngai, said: I come from a very poor family, and I was unemployed. Some friends said that I could make a living in Saigon. Thus, I and some of my neighbors came to Saigon to make a living. Every day, I go out with the noodle cart and try to drum up business. My share is about 120,000 dong a month. I don't have to pay much for room or board, because I live with several friends. Every few months, I send money home to help my family. I work from 1300 hours to 0100 hours. I sleep the rest of the time.

A Stable Occupation, Too High a Dream?

Except for a small number of very young children who have no concept about the future, almost all of the young laborers whom we met are very tired of the life they are living. Many have begun dreaming about having a house and a job with a stable income. One thing is that this difficult life filled with the unexpected has helped these children gain a realistic view of their future. Nguyen Van Hieu, age 12, an excellent student at the Cau Ong Lanh Subdistrict charity school, said: "My dream is to repair vehicles and install machinery and earn enough money to open a garage." On a somewhat higher level, Nguyen Van Thanh, age 15, said: "I want to study electronics, but I don't have the money to attend school. I am now learning how to read and write. If I do well in school, I will study electronics. If I don't, I will repair vehicles." When asked what their dreams for the future are, many others shook their heads and said: "I just dream about earning enough money to get through the day." And the future? They don't even think about that. The hopes of Hang and Ha at the Cau Muoi market are even more simple: "We hope to have a stable spot at the market from which we won't be expelled and not have to pay fines for selling goods on the street."

Having their own home is the dream of a lifetime. Whether this dream will come true depends on the capabilities and will power of each child and on the factor that people usually refer to as the "fate" of each person. What society can do for these children today is provide them with a place to live and take shelter. Many charitable organizations and associations and many generous individuals have established "kindness teams" and "open houses" where these children can live together. Duong Huy Ngan, the head of the Cau Ong Lanh Subdistrict Women's Union, talked about the "open house" in her subdistrict: "Initially, we simply organized food stalls that sold food to children at low prices. Many small traders at the market understood the significance of our work and began selling food at low prices, and many of the women gave us food free of charge. Our food stalls are not just commercial stalls. Through our daily contact with these children, we try to understand the situation of each child so that we can find a way to help them. We have mobilized kindhearted people to contribute money to repair buildings near the food stalls so that the girls will have a place to sleep in safety during the night. Initially, we gave priority to girls. But we gradually saw that a number of boys were working at night and sleeping on the street during the day. That bothered us and so we now allow all these children to live together. Even though space is very limited, the children can sleep in safety without being bothered by anyone or having to take shelter from the rain and sun. We just wish that we had a building big enough to provide shelter for all of the homeless children here."

Ngan's dream is also the dream of everyone involved in social work. What can be done to provide all the children now roaming the streets with a place to sleep in safety so that on cold and rainy nights they can sleep in peace and not feel that they have done something wrong? What can be done to prevent these children, who were born good, from becoming criminals just to obtain a bowl of rice? What can be done to enable each child to boldly think about his or her future? All of these questions are waiting for an answer. Today, reports about another "open house," another charity school, and another free trade school are reports that gladden our hearts.

Australia

Australia: Group Expresses Opposition to Pine Gap Expansion

BK2003061596 Melbourne Radio Australia in English 0500 GMT 20 Mar 96

[FBIS Transcribed Text] Opponents of the controversial joint Australian and United States defense facility at Pine Gap in central Australia have expressed reservations over a planned expansion.

Pine Gap deputy chief, Brian (Ealey), says staff levels at the base near Alice Springs had to increase by 15 percent as it evolves to meet future challenges. The antibases coalition says it suspects the base may be used for gathering industrial and commercial intelligence as it moves away from its Cold War strategic and military role.

The coalition's (Des Dougherty) says with the collapse of the Soviet Union, the intelligence community is focussing more on commercial and industrial espionage, especially in the Pacific rim.

Australia: Howard Agrees To Discuss Aviation With Bolger

BK2003062096 Melbourne Radio Australia in English 0500 GMT 20 Mar 96

[FBIS Transcribed Text] Australia and New Zealand have agreed to resume negotiations on a common aviation market. The resumption was announced following talks in Sydney between the Australian prime minister, John Howard, and the New Zealand prime minister, Jim Bolger.

The move to a unified aviation market for the two countries was frozen by Australia's previous labor party government in 1994. Mr. Bolger said his talks with Mr Howard had shown the way ahead on aviation.

Mr. Howard said the transport ministers of the two countries would move quickly to look at the aviation issue. The two prime ministers said they had also discussed the Asia-Pacific Economic Cooperation group, APEC, and further trade liberalization.

Mr. Bolger said the talks also covered the South Pacific Forum in which Australia and New Zealand are the biggest members. He added that he had invited Mr. Howard to visit New Zealand for further talks.

Australia Provides Equipment for Cambodian Military Hospitals

BK1903100496 Melbourne Radio Australia in English 0500 GMT 19 Mar 96

[FBIS Transcribed Text] Australia has provided $400,000 [Australian dollars] worth of medical equipment to Cambodian military hospitals in response to an urgent appeal from King Norodom Sihanouk. The operating theater equipment has been delivered to the Cambodian Defense Ministry by Tony Kevin, Australia's ambassador to Cambodia.

At a handover ceremony, Mr. Kevin said he hoped the equipment would alleviate some of the difficult conditions to which the Cambodian king had referred to in his appeal.

Papua New Guinea

Papua New Guinea: Separatists Kill 4 Security Force Members

BK1903065396 Melbourne Radio Australia in English 0500 GMT 19 Mar 96

[FBIS Transcribed Text] In Papua New Guinea [PNG], separatist rebels of the Bougainville Revolutionary Army [BRA] had ambushed and shot dead another 4 members of the security forces. As Sean Dorney reports, the latest incident on the island of Buka off northern Bougainville brings to 10 the number of PNG soldiers and police to die in the conflict over the past week.

[Begin Dorney recording] All four policemen killed in the ambush — one regular policemen and three reserve constables — were from Buka. Buka, relatively free of trouble in the past five years has this month become a target of BRA infiltration. The public service on the island has virtually shut down. Aid workers, including some funded by Ausaid under the Bougainville restoration program, have been pulled out, and the airport has been closed.

With the trouble within the provice getting worse, the prime minister, Sir Julius Chan, called home the defense minister and the Defense Force commander who were on a trip to Asia, Europe, and America. [end recording]

Papua New Guinea: Truce Ends 4-year Tribal Conflict

LD2003105196 Melbourne Radio Australia in English 0900 GMT 20 Mar 96

[FBIS Transcribed Text] Warring tribes of the Asaro Valley in Papua New Guinea's Eastern Highlands Province have declared an end to four years of fighting.

Tribesmen from (Andawanufa), (Kanot), and (Radima) gathered before provincial authorities at National Independence Park in Goroka to proclaim they wanted the clashes to stop.

The tribal fight is said to have claimed more than 100 lives. There was also widespread destruction of property, including houses, coffee gardens, and vehicles, and a coffee factory was burned down. The Eastern Highlands governor and the local member of parliament contributed almost $8,000 toward the peace settlement.

BULK RATE
U.S. POSTAGE
PAID
PERMIT NO. 352
MERRIFIELD, VA.

This is a U.S. Government publication produced by the Foreign Broadcast Information Service (FBIS). Its contents in no way represent the policies, views, or attitudes of the U.S. Government.

FBIS collects, translates, disseminates, and analyzes foreign open-source information on behalf of the U.S. Government. Its publications may contain copyrighted material. ***Copying and dissemination is prohibited without permission of the copyright owners.***

- — Bracketed indicators before the first sentence of each item describe the way in which the material was processed by FBIS.
- — Headlines and all bracketed explanatory notes are supplied by FBIS.
- — Personal and place names are rendered in accordance with the decisions of the U.S. Board on Geographic Names as adapted by FBIS. Unverified names in radio and television material appear in parentheses and are spelled phonetically; words and phrases in parentheses preceded by a question mark are unclear in the original and deduced from context.

SUBSCRIPTION INFORMATION

U.S. Government Customers

For a list of FBIS products, to subscribe to an FBIS publication, or to indicate a change of address contact:

FBIS
P.O. Box 2604
Washington, DC 20013-2604
Telephone: (202) 338-6735
FAX: (703) 733-6042

Non-Government Customers

Subscriptions are available from the National Technical Information Service:

NTIS
5285 Port Royal Road
Springfield, VA 22161
Telephone: (703) 487-4630
FAX: (703) 321-8547

New subscribers should expect a 30-day delay in receipt of the first issue.